Daily Report

Latin America

FBIS-LAT-91-179
Monday
16 September 1991

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FBIS-LAT-91-179 *16 September 1991*

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Central American Ministers Sign Agreements

PA1309190291 Mexico City NOTIMEX in Spanish 0139 GMT 13 Sep 91

[Text] San Jose, 12 Sep (NOTIMEX)—Foreign ministers at the isthmus meeting in San Salvador have signed agreements for regional development, demilitarization, and the reactivation of the Organization of Central American States.

Costa Rican Foreign Minister Bernd Niehaus said that during the meeting, held this week, the foreign ministers agreed to expand Central America's relations with other international organizations.

He said he believes in the importance of an upcoming meeting with the countries of the Caribbean Common Market, (Caricom), which will be held in Honduras on 23 November.

He said emphasis was placed on the need to intensify Central America's relations with the EEC.

The foreign minister also stressed the importance of the Nonaligned Movement, (NAM), to which Costa Rica is an observer.

"We will continue as observers until we see the future course of action taken by this important international organization," he said.

According to the official, another point discussed was an agreement to reactivate the Organization of Central American States (ODECA), based on the current regional situation.

The foreign ministers agreed to seek proper financing against drug trafficking and its scourge.

The foreign minister noted Costa Rica's concern for the slowness with which the disarmament and demilitarization processes are moving in Central America.

He said the slow rhythm of the disarmament process is caused by internal conflict in some countries and that is why it is important to encourage the dialogue and negotiation processes in El Salvador and Guatemala.

The Central American foreign ministers said it was necessary to ask the United Nations to extend the mandate of the UN Observer Group in Central America one more year so it can continue to contribute to peace and regional development.

* Di Tella Views Economic Integration Proposals

91SM0480 Sao Paulo GAZETA MERCANTIL in Portuguese 17-19 Aug 91 pp 1, 3

Article by Paulo Totti: "Argentine Proposals"]

[Text] Buenos Aires—The International Conference on the Environment (Eco-92), to be held in Rio next year, could be an opportunity for the signing of an energy integration accord to supply Argentine natural gas to industries in southern Brazil. The offer of Argentine gas, to which Bolivian gas would be added, could be presented to the Brazilian authorities again this Monday by the Argentine delegation that is accompanying President Carlos Saul Menem on a 2-day visit with his colleague, Fernando Collor de Mello.

Construction of a gas pipeline that would link the Argentine production zones with the centers of industrial production in Brazil has been under discussion between the authorities of the two countries since the integration process was initiated in 1985. First the opposition from Petrobras (Brazilian Petroleum Corporation) and, later, the disagreements over price, volume of reserves, sources of financing, and the path of the gas pipeline—entry into Brazil via Uruguaiana (Rio Grande do Sul) or Foz do Iguacu (Parana)—have prevented the idea from going forward.

Almost interrupted last year, contacts have been reestablished this year between Petrobras and the Argentine state company YPF [Government Oil Deposits] and could culminate in a decision by presidents Menem and Collor that "something concrete on the matter" will transpire by the middle of 1992. At least this is the hope of Alieto Guadagni, Argentine secretary of international relations, who is a member of the Argentine delegation that is expected to arrive in Brasilia on Sunday at 1800. "Eco-92 presents a very good opportunity for the Brazilian Government to announce that it has secured a supply of an absolutely non-polluting fuel—natural gas—to power the development of its industry," Guadagni said Friday in Buenos Aires.

Construction of the gas pipeline will be on the agenda of the two presidents, under the more general category of energy integration, which also includes studies for the shared use of the electric power generated from the Parana, Paraguay, and Uruguay rivers, interconnecting Itaipu with the Uruguayan-Argentine hydroelectric station at Salto Grande and the future Argentine-Paraguayan power station at Yacireta.

Argentine Foreign Minister Guido Di Tella confirmed that Collor and Menem will "go forward" with the discussion of topics related to their participation in the Southern Common Market (Mercosul), in which Uruguay and Paraguay are also members, and in the search for complete harmony in matters of international politics.

Among these is the creation of a Latin American space free of weapons and equipment of nuclear, chemical, and biological warfare, already announced by President Carlos Menem. "Perfect understanding between the two diplomatic missions has been a constant concern and, increasingly, our views of the world coincide," Di Tella said.

As a consequence of this understanding, Brazil and Argentina are already considering the possibility of merging some aspects of their diplomatic activity within a very short time. In addition to what has already been

occurring in some world forums, such as the International Atomic Energy Agency (AIEA), in which Brazil and Argentina are alternating in representing both countries, the diplomatic cooperation could even come to include practical and specific aspects, such as merging consulates and some embassies.

According to Di Tella, there are about 30 member countries of the United Nations Organization in which only Brazil or only Argentina have consulates or embassies. For example, Brazil has more diplomatic posts than Argentina in Africa and Asia. These installations could be used by both countries, thus economizing on resources and optimizing results.

The process could begin with the simple designation of a room in one country's consulate or embassy for the use of an official of the other country, and lead to a single consulate and even a single ambassador to represent the interests of both countries. This is not a measure to be taken now, advise the Argentine diplomats, but there is some thought of accelerating this integration so it would be fully consolidated by 31 December 1994, when the Southern Common Market begins to function. "If we had achieved this unification 50 years ago, we would have saved a considerable sum of money without any detriment to either country," Di Tella declared.

The meeting in Brasilia will also provide an opportunity to consider the parliamentary participation in the activities of the Mercosul. According to Di Tella, as is the case in Europe, the common market will need the benefit of popular oversight, participation, and intervention, through the parliaments. In the beginning, as occurred in the EEC, parliamentary representatives will be appointed by the congresses of the respective countries, but, "inevitably," a Mercosul parliament, directly elected, will come to be formed, as in the case of the European Parliament.

There is also an idea making headway which, initially, all the diplomats resisted, afraid of being accused of creating more bureaucracy: the installation of a Mercosul executive secretariat. In Montevideo, there is already a small administrative office, staffed with personnel from the respective embassies, which is functioning only as a bureaucratic channel for Mercosul matters.

Now the governments are looking at the need to give Mercosul a higher- level structure, a true "commissariat," such as that which administers the EEC—obviously without the 7,000-member staff of the EEC headquarters in Brussels and with more modest pretensions.

Last Thursday the Argentine Parliament unanimously approved the text of the Treaty of Asuncion, which establishes the rules for the formation of the Mercosul. Argentina was the third country to ratify the treaty signed in Asuncion, in March, by presidents Collor de Mello, Carlos Menem, Luis Alberto Lacalle, and Andres Rodrigues. Theoretically, the governments of Argentina, Uruguay, and Paraguay could already have forwarded the documents of ratification to the Paraguayan Foreign Office—which was designated as the repository of the legal acts of the Mercosul—and thus have officially put the treaty into effect. "The intention is to wait for Brazil to ratify the treaty," Di Tella said," so that we would all forward our ratifications together. This will be more friendly." Di Tella said that the Brazilian authorities expect their congress to ratify the treaty in September.

The entry into effect of the Treaty of Asuncion is important because one of its first six articles—Article 5, to be exact—establishes the obligation to pay compensatory fees for any purchases made outside the Mercosul at subsidized prices.

Regarding subsidies, incidentally, the good diplomat Guido di Tella said that, from the moment when the Brazilian Government announced its willingness to tax, at the same value as the subsidy ($29.50) the purchase of 700,000 tons of North American wheat, his foreign office has seen no reason to suspect that this is not already occurring. In the same way, the Brazilian Government would have no reason to doubt the statements of the Argentine authorities regarding subsidies. The first statement [was] that of President Menem himself, who denied last Wednesday that Argentine had purchased subsidized powdered milk in Europe. The second statement was made by Secretary Guadagni, who confirmed, in response to a question, that "some private Argentine companies have sought to acquire 1.5 million tons of powdered milk from the EEC. "If the purchase is confirmed, we will impose the corresponding compensatory fees," Guadagni assured. This being the case, all the predictions that such compensatory fees would never be collected will be disproved.

Tuesday morning, at the end of the presidents' meeting, there will be an official announcement of the various agreements already reached between the two diplomatic missions in the working groups engaged in the continuing study of bilateral relations with regard to the integration of borders, transportation, and communications, as well as the reduction of bureaucratic red tape in commercial transactions. The opportunity will be taken to set the agenda for the integration process next year.

Among the items to be discussed in 1992 is a controversial topic: the opening of the national air space to airlines flying under the "flags" of the four countries. Varig and VASP planes, for example, could provide coastal transport in Argentine territory, picking up passengers in Buenos Aires for flights to Bariloche and from there to Mendoza. The same facility would be granted to Argentine Airlines, which could operate in Brazil as if it were a national company. This matter, a natural result of an accelerated process of integration and deregulation, will require many hours and weeks of negotiation, beginning with the debate over whether Argentine Airlines, privatized and with most of its stock transferred to the Spanish state company Iberia, is still in fact an Argentine "flag" company.

Other matters will include the unification of the legislation, which will inevitably lead to the creation of a supranational court of arbitration to rule on disputes in the area of the common market, and the harmonization of labor policies. "This cannot be accomplished overnight , but we will have to begin to work on this immediately," Di Tella Said.

And the harmonization of currency exchange policies? Concerned not to interfere in the internal affairs of the neighboring countries, Di Tella replied to the question by stating that exchange policy is not an insuperable obstacle to the progress of integration. "It is simply a problem." According to the minister, "the important thing is that the exchange policy be consistent and not erratic or fluctuating. The exchange rate can be different in Argentina and Brazil. The inflation rate as well. The important this is that they do not have totally divergent tendencies, one pulling this way and the other pulling that way. The ideal would be if the exchange rate and the inflation rate would remain at zero to zero." Guadagni took the opportunity to point out that the four Mercosul countries have never before had such similar exchange policies and open market policies. Regarding customs duties, Argentina already has set a maximum of 11 percent on customs fees for Brazil.

Those of Brazil "will be around 16 percent" for Argentina. Regarding the foreign currency market, whereas Argentina, Uruguay, and Paraguay are already practicing a single exchange rate, Brazil still has three types, but the "spread" between them is getting smaller and smaller, tending toward a single rate. Guadagni and Di Tella hope that the differences will disappear by 1995.

Cuba

GRANMA Editorial Views Soviet Troop Withdrawal

FL1409140891 Havana Tele Rebelde Network in Spanish 1100 GMT 14 Sep 91

["Entire text" of GRANMA editorial: "Cuba Will Never Accept Being Handed Over or Sold to the United States," published on 14 September in Havana—read by announcer]

[Text] The unilateral decision by the Soviet authorities, without prior consultation, concerning their military personnel in Cuba which make up the so-called Training Brigade or Study Center No. 12, as it has been known among us since 1979, has had serious political connotations which compromise our security. Of course, the practice by large countries of making certain intentions public, thus making them faits accomplis, is nothing new. Neither should those of us who lived through the experience of the October missile crisis be surprised. One of its results, after numerous talks held between our leadership in Havana and Anastas Mikoyan between 3 and 22 November 1962, and the corresponding agreement signed in Moscow on 29 May 1963, was precisely that this military contingent would remain in Cuba.

The brigade, through which the Soviet military presence was gradually reduced in accordance with the agreement, and of which the U.S. Government was aware although it was not talked about publicly, caused a scandal when after 17 years, for demogogic and domestic political reasons during the sixth summit of the Nonaligned Movement which met in Havana in September 1979, the United States publicized the motorized brigade of the Soviet Armed Forces in Cuba. The Soviet leadership of that time—without taking into account our opinion, which was opposed to denying the presence of that brigade, and with uncompleted consultations still under way—yielded to U.S. public pressure and through official statements in theory transformed that combat unit, which was committed to acting if a U.S. invasion were to occur, into a supposedly nonoffensive study center, overnight and with the sibylline indulgence of the U.S. leaders.

One day before this brigade, which continued to be a combat unit with all its military assets and missions, was to celebrate its 29th anniversary, there was talk about withdrawing it unilaterally because this symbolic presence—it is said—belongs to a past era. For us, symbolic—a word we were the first to use—has two meanings: that its forces are not numerically significant in militarily defending Cuba, but that at the same time they have a profound significance as an expression of friendship and solidarity in the face of U.S. threats. With great respect and gratitude, we recall those tense and at times very difficult days with Comrade Mikoyan after the shameful and unforgettable experience that the USSR-U.S. understanding with respect to the crisis entailed for our young revolution. Excluding Cuba, which in the name of strengthening the defensive capacity of the socialist community, especially the USSR, had faced the risk of nuclear extermination, it was decided to withdraw the nuclear missiles. The enormous dangers we faced for the security of all and the signed agreements that were violated during those days gave us the right to demand at least a minimum Soviet military presence, which was accepted.

Much has been said since, and much more still needs to be said, but no one can disregard the dramatic and very rapid nature of those events, the enormous and unprecedented tensions the Soviet leadership was subjected to, and the gigantic responsibilities those crucial hours entailed. This (?overwhelmed) Krushchev, and in spite of his good faith, exceeded his abilities as a statesman. If at least the point of withdrawing the U.S. naval base in Guantanamo—among the five conditions our party and government offered as solutions to the crisis—had been defended with the vigor and intelligence demanded by the situation, there would be no American or Soviet troops in Cuba today.

It is really very hard to ignore some questions that arise out of the same honesty with which we would like to understand, under current circumstances, what is happening when the East-West confrontation is said to be over, with the disappearance of one of the blocs, and in the name of renewed thinking in the field of international relations, some seem to again resort to regrettable practices which have shown up at some very difficult times in the bilateral relations between Cuba and the USSR.

Moreover, what does the inhuman and criminal embargo the United States has subjected Cuba to for more than 30 years symbolize, and what era does it belong to? What is symbolized by the harassment, the hostility, the implacable efforts to strangle our economy, the savage pressures on governments, international bodies, and even U.S. businessmen with investments abroad to isolate our country and make it yield by slandering it politically with unequalled hypocrisy, to make it surrender from hunger? What era does this belong to?

What is symbolized by the illegal occupation of Cuban territory, where against the express will of our people the United States maintains a military base which is totally obsolete for its strategic defense, and what era does this belong to? What is that base good for if not to humiliate and threaten Cuba? Are we supposed to describe as "de-ideologized" the anti-Cuban policy of the United States, which is sick with hate, arrogance, and impotence? Is the crusade against the Cuban Revolution by George Bush and his emissaries exempt from any ideologizing contamination? They have gone so far as to condition their cooperation and aid to the USSR on a break in Soviet-Cuban ties, which they demand with uncontrolled hysteria at the top of their voices at all times anywhere and under the clumsiest pretext.

The revelation at the joint news conference at the conclusion of bilateral negotiations between the Soviet Union and the United States of the decision to withdraw the military contingent stationed in our country left

international public opinion with the clear conviction of an unconditional concession. When announcing it, President Gorbachev omitted any mention of the U.S. military presence in Cuba, as did Baker who, favored by prior knowledge of this news, had time to find the exact words he would use later when his turn came. A bitter (?impression) was not lacking among the mixed feelings aroused in our people by the news that a surprising concession had occurred, especially after having seen Soviet President Mikhail Gorbachev deal skillfully with the issue of relations with Cuba on American television a few days before.

On 12 September, a few hours after the Cuban ambassador in Moscow had handed to President Gorbachev's office an official note concerning the withdrawal announcement, Soviet Foreign Minister Boris Pankin held a news conference. In both his initial statement and his answers to reporters, Pankin offered sufficient additional evidence for us to set and anticipate publicly, in accordance with the style chosen by the Soviet authorities, the Cuban position concerning the point of principle which is at stake. The so-called complementary confidence-building measures concerning Cuba alluded to by the Soviet foreign minister are secondary and do not merit any commentary for the moment. According to the explanation by the Soviet foreign minister, the prior information given to the U.S. side about the withdrawal of the military contingent of the training brigade, even before the Cuban Government found out about it from the news agencies, was due to the perception that this decision involves giving an incentive to the United States and the hope that the United States will respond by meeting it halfway.

In Minister Pankin's understanding, and therefore that of the Soviet authorities, everything is based on hopes and, judging by the inventory of the steps the United States could hypothetically take—if these hopes are not unfounded—the Soviet expectations are extremely modest, such as a reduction in military personnel in Guantanamo and other equally unimportant measures. Such expectations would always be at discretion of the United States, and they could be ruled out at any time as is traditional in U.S. behavior, especially now when they feel they own the world, while the steps the USSR has said it is willing to take would be irreversible and unconditional. It is obvious that the Soviets negotiated and made concessions to the United States with respect to Cuba, acceding to their demands without discussing a single word with our country.

Fortunately, in many ways, this is not October 1962 but almost October 1991, and Cuba's defense rests solidly on doctrine and training that for more than 10 years has completely excluded any hypothesis other than the willingness to pay with our own blood alone for our unshakable will to never again be enslaved by the United States. In the light of the current processes and our experiences, an idea is taking shape about the much-discussed new world order, with a logic of subordination to the dictates of the United States. With the maturity and realism we have gained during more than 30 years of confrontation with the aggressive designs of U.S. imperialism, we are trying to interpret how the Soviet Union's historical, political, and moral responsibilities will be met in the future.

To this reflection we also add our own experience, when through loyalty to certain principles one cannot renounce without giving up being what one was when one adopted them, we have rejected all pressures and even the offers by several U.S. Administrations in exchange for our abjuring and breaking our close ties with the Soviet Union. We have always been firm and loyal in meeting our commitments. No small or large nation, much less an influential great power, whoever its leaders may be, can neglect to comply with the historic and legitimate accords and commitments it has contracted.

It is frightening and angering to think that we are heading toward a world order in which the small Third World countries such as Cuba whose social systems are not to the liking of the United States have no alternative but to submit or run the risk of disappearing, and where there is no place not only for ideological loyalties but for the most elemental ethical principles, without which the threat would arise for our civilization that a new barbarism would end up prevailing, based on technological might and the hegemonic delirium of the United States.

However, we continue to believe in people and in the future. We do not owe what our country represents today to hesitation or surrender. In the face of the arrogant pride of the empire and the difficulties that have arisen in our relations with the USSR, we have chosen dignity and self-respect, without deceiving ourselves. We know how few material resources we have and that we will be forced to make truly heroic and superhuman efforts. But we are willing to face the consequences of a position of principle. It would be unjust to accept an equivalency between the Soviet military cooperation workers in Cuba, who are continuing a tradition of solidarity and internationalism that contributed so much when they were irreplaceable in building our armed forces, and the Yankee soldiers in Guantanamo.

Likewise, it would be immoral and unjustifiable to accept now, precisely at the apotheosis of speeches about the end of the Cold War, when no one can brandish the pretext of communist expansion nor attribute any danger to a small Soviet military contingent, that a Yankee base and its hostile troops should remain on Cuban national territory while the Soviet military unit is withdrawn. We would be willing to accept the simultaneous withdrawal from our country of the Soviet military personnel at the same time as the U.S. military personnel. This would be the only equitable, just, and honorable thing under present circumstances. In addition, these are issues that must be discussed with us as one of the parties involved.

The Bush administration is immersed in an orgy of triumphalism and looks at us through lenses distorted by the catastrophe—which was above all ideological and

political—of the European socialist experience. They think they see Cuba abandoned and at the point of being handed up. They rub their hands, imagining the feast after the defeat of the revolution. Meanwhile, the soothsayers and the stateless, with the souls of hyenas, who have moved their lair from Miami to Moscow, led by Batista supporters redeemed by the State Department, are knocking impatiently on the doors of the Russian Federation leaders, trying at all costs to persuade them to join the Yankee embargo. They were there in the front row to share the news scoop.

If the process of joint action by the Soviet Union and the United States has reached the point at which matters such as this can be resolved without suspicions or fears, all that can be done after the Soviet declaration is to negotiate the withdrawal of the Soviet brigade we have welcomed with fraternal hospitality and gratitude and the Guantanamo Naval Base, just as we have proposed. To this end, Cuba is willing to be part of an international agreement guaranteed by the United Nations. This agreement could include those confidence-building measures that are mutually satisfactory, with all guarantees possible. Of course, these include a halt to the rehearsals for invading Cuba which the Yankee command has been systematically carrying out in the region for several years. Then we could talk of the validity in the case of Cuba of the new political thinking in international relations.

Cuba can be counted on, as was conclusively shown in the case of Angola and Namibia, in a negotiated political solution to a regional conflict to which our country is in a position to contribute. Cuba can be counted on, as has been shown historically and is shown every day in the United Nations, in the search for constructive, viable solutions to great contemporary problems ranging from peace, which is of vital interest to all peoples, and a new international economic order, or a solution to the Third World's foreign debt, to the fight against drug trafficking or for nuclear safety. Cuba is not a threat to any country or government on Earth.

What no one can have the least hope of counting on Cuba for is to renounce our principles, to submit or obtain any advantage in return for others' interests. The unilateral, unconditional, and unconsulted decision by the USSR to withdraw its military unit is equivalent to giving the United States the green light to carry out its aggressive plans against Cuba. This is what the withdrawal of that symbolic military contingent would symbolize morally. Any other explanation or interpretation makes no sense. Cuba will never agree to being handed over or sold to the United States, and in order not to go back to being slaves, we are willing to fight to the death.

Venezuela's Foreign Minister Arrives

PA1609035191 Madrid EFE in Spanish 2309 GMT 15 Sep 91

[Text] Havana, 15 Sep (EFE)—Venezuelan Foreign Minister Armando Duran, who initiated an official visit to Cuba today, 15 September, denied he was bringing a message from the president of his country, Carlos Andres Perez, concerning the Cuban situation and said "we have nothing to say about the politics" of the island.

Duran also denied that there are any oil supply agreements among the agreements he plans to sign during his visit.

The Venezuelan foreign minister said the tripartite Cuba-Venezuela-USSR oil supply agreement is still in effect. According to this agreement, Venezuela delivers crude oil to the Caribbean island in exchange for an equal amount supplied by the USSR to the Netherlands.

As for the talks to be held with Cuban Foreign Minister Isidoro Malmierca and other officials from the Caribbean country on 16 September, Duran said that they will review the international political situation, but he said "the agenda is open."

As for the reason for his visit, which will be extend to 17 September, Duran said that he is paying back a visit made by Malmierca on September 1990, when the Cuban-Venezuelan Consultation Committee was established, the first meeting of which was held in Caracas, "and now it is Havana's turn" to organize it, he said.

Duran said that during his visit to Havana, he will sign several bilateral cooperation agreements concerning general medicine, phosphates, and scientific and technological cooperation.

He said, "These agreements fall within the framework of the policies adopted by both Havana and Caracas to promote cooperation among the countries of the South."

Meanwhile, the Venezuelan ambassador to Cuba, Maria Clemencia Lopez Jimenez, told EFE that discussions on the possibility of Venezuela supplying oil to Cuba "have not been ruled out" from the conversations because, even though it does not appear on the previous list of topics, the agenda "is open."

As for Duran's schedule, the ambassador pointed out that the foreign ministers will hold several meetings at the Cuban Foreign Ministry on 16 September. He plans to hold a news conference on the morning 17 September and will return to Venezuela that afternoon.

Duran was accompanied by Efrain Schacht, president of the Foreign Relations Advisory Commission; Deputy Tulio Bruni Celli, from the ruling Democratic Action Party; Deputy Alfredo Torre Murzi, from the Social Christian Party; and Senator Pompeyo Marquez, from the Movement Toward Socialism (MAS).

Also comprising the delegation are several officials from the Venezuelan Foreign Ministry, such as Economic Director Manuel Felipe Sierra, as well as Ambassadors David Lopez Henriquez and Roy Chardeton.

Coalition Reports Dissidents Receive Jail Terms

PA1409044991 Paris AFP in Spanish 0430 GMT 14 Sep 91

[Text] Havana, 13 Sep (AFP)—A communique issued on 13 September by the Cuban Democratic Coalition, which is made up of several dissident movements, reports that four Cuban dissidents were handed jail sentences of between 10 months and two years for attempting to demonstrate last week in front of the Villa Marista State Security headquarters in Havana.

The communique, which was read over the telephone, states that Daniel Aspillaga Llompart, president of the "Solidarity and Peace" dissident group, was sentenced to two-years and his brother Tomas Aspillaga to 10-months. Rigoberto Martinez Castillo and Basilio Alexis Lopez, who also participated in the demonstration, were sentenced to 11- and 10-month jail terms, respectively, the communique adds.

Congress To Take Place 'Behind Closed Doors'

PA1309210491 Madrid EFE in Spanish 1740 GMT 13 Sep 91

[Text] Havana, 13 Sep (EFE)—The upcoming Fourth Congress of the Cuban Communist Party (PCC), which will take place in Santiago de Cuba (900 km east of Havana) on 10 October, will be held behind closed doors and the media will not have access, Cuban officials said here today.

The information has been commented on by various Cuban Government officials, but it has not been officially announced yet.

According to conversations EFE has had with those officials, the PCC Congress will be held behind closed doors for international journalists as well as for the Cuban media itself.

International guests from political and labor organizations that support the PCC ideology, which have traditionally attended these types of activities, will not be received either.

According to available information, several thousand foreign journalists have expressed to Cuban authorities their desire to cover the events at the congress.

The foreign journalists permanently accredited in Cuba will not be able to attend the congress either. In this respect, EFE talked to a Cuban official who discouraged a trip to Santiago de Cuba to follow the sessions from nearby. According to the official, the most important aspects of the congress will be broadcast on Cuban television. He suggested that the journalist "watch the television broadcast."

The PCC Congress has sparked an enormous desire for information at an international level due to the difficult situation experienced by the government and the PCC itself. The congress is being held while the USSR, Cuba's main political and economic ally, is increasingly distancing itself from the traditional support it gave to the island.

Villa Clara, Camaguey Elect Delegates

FL1409180791 Havana Tele Rebelde Network in Spanish 1700 GMT 14 Sep 91

[Text] A total of 81 comrades make up the Villa Clara Province delegation to the Fourth PCC [Communist Party of Cuba] Congress after the selection process which began at the base level and ended today with the provincial assembly. The group includes, among other comrades, Politburo member Jose Ramon Machado Ventura; Comrade Tomas Cardenas Garcia, first party secretary in Villa Clara; Division General Rogelio Acevedo; and Central Committee member Sergio Corrieri. Thirty-four comrades were also elected as precandidates for membership in the Central Committee.

The meeting of the Villa Clara communists in fact became an expression of absolute support for the editorial published today in GRANMA concerning the withdrawal of Soviet military personnel from Cuba. As this report was being prepared, the closing words were being spoken by Comrade Tomas Cardenas Garcia, a Central Committee member and the first party secretary in Villa Clara.

The Camaguey Province delegation to the Fourth PCC Congress was formed this morning with the presence of Politburo member Armando Hart Davalos and Commander of the Revolution Ramiro Valdes Menendez. In the deferred session of the provincial assembly which was called for this purpose, the first point adopted was to take to the highest party leadership the testimony of the firm determination of the Camaguey communists to remain faithful to socialism and the commander in chief, and if necessary to surrender their lives in defending the revolution.

The Camaguey delegation to the fourth congress is made up of 115 party members, 38 of whom were directly elected to represent important economic, educational, or service centers. Thus, a process during which hundreds of precandidates for delegates and members of the Central Committee were nominated has ended. This process began in July and was marked by broad participation by the masses. The process leading up to the congress has also been marked by the great number of opinions and presentations given at the base level aimed at improving our society.

Remaining Delegates To Be Elected This Weekend

FL1409011791 Havana Radio Reloj Network in Spanish 1952 GMT 13 Sep 91

[Excerpt] The remaining provincial delegates to be elected to the Fourth Congress of the Communist Party of Cuba [PCC], and nominees for the Central Committee will be elected tomorrow, Saturday, and Sunday when the recessed provincial party assemblies meet. These assemblies have retained the same composition they had

in January and February of this year when they met in their provincial party congresses to select and elect members to the provincial party committees.

The DAAFAR [Antiaircraft Defense and Revolutionary Air Force] and MININT [Ministry of the Interior] assemblies will also meet between tomorrow and Sunday to elect their delegates to the PCC Congress. By the end of this weekend, 1,200 comrades will have been elected delegates to the Congress by secret, direct vote in the provincial assembly meetings. (passage omitted)

Malmierca Says NAM Conference 'Very Positive'

FL1409013691 Havana Radio Rebelde Network in Spanish 2300 GMT 13 Sep 91

[Text] A press conference with Foreign Relations Minister Isidoro Malmierca concluded a few minutes ago in the Foreign Relations building. He termed the ministerial conference of the Nonaligned Movement [NAM] which took place recently in Ghana as very positive.

In this press conference Malmierca said that the conference signified a confirmation of the principles of the Nonaligned Movement, proving the determination of all the participants to carry out the decisions that were made in this important meeting.

On the position of the nonaligned countries concerning our country, there was a favorable response, according to Malmierca, thanks to the great efforts made by the members of our delegation. The foreign relations minister of Cuba made in his final statement in Ghana various references to the positions taken by the Ibero-American summit celebrated in Guadalajara.

Among the most important items, according to Malmierca, he added that, for the first time, they included in the accords of the NAM conference the acceptance of various points on the elimination of the economic blockade against Cuba, calling for the discussion of the matter at the United Nations.

Before the press conference at the Foreign Relations Ministry, Comrade Isidoro Malmierca presented the Medal of Friendship to the ambassador of Algeria in Cuba, Mr Abdelhamid Latreche.

Ross Urges Innovation in Steel-Working Industry

FL1409000591 Havana Radio Reloj Network in Spanish 2350 GMT 13 Sep 91

[Text] Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC] has exhorted that although there exists in the country a spirit of cooperation, we cannot be passive because we must abandon routine and be innovative in the solution of our problems.

In an intervention in the first meeting of innovators and efficiency experts from the steel-working industry, Ross explained that it is important to employ both human potential and all the technical means that we have to respond to the deficiences in some sectors. Over the course of the current year there have been more than 400 innovations and around 130 measures to improve efficiency in the steel-working sector with an economic savings that surpasses 2 million pesos.

For the sixth national spare parts forum they have effected more than 1,800 orders for projects to present for the various enterprises in this national sector.

Ecumenical Council Wants UN Discussion of Embargo

FL1409150791 Havana Tele Rebelde Network in Spanish 1100 GMT 14 Sep 91

[Text] The Cuban Ecumenical Council has sent a letter to UN Secretary General Javier Perez de Cuellar in which the Cuban Christians request an end to the U.S. economic embargo against our country. Last month the Cuban Government asked for this issue to be included on the agenda of the next period of sessions of the General Assembly, which will begin its work on 17 September. The Ecumenical Council, a Havana-based organization of churches and institutions that are in favor of peace and love among men, supports Cuba's request for the United Nations to discuss the economic, trade, and financial embargo.

* Stumbling Blocks to Salvadoran Peace Discussed

91CA0216A Havana BOHEMIA in Spanish 26 Jul 91 pp 44-45

[Article by Damian Ali]

[Text] They say that in questions of peace, as in those of love, it takes two to tango. Although some might find that assertion rather extreme, in the case of El Salvador, at least, where the opposing forces are fairly well balanced, an understanding cannot focus on unilateral advantages, much less on the total destruction of the interlocutor.

It must be made clear that the Farabundo Marti National Liberation Front (FMLN) has demonstrated on more than one occasion its desire to reach sincere agreements that will put an end to a war that has cost about 76,000 lives.

It is not a question of weakness or fatigue, as some biased analyst might infer, but simply a clear awareness of the need to avoid further social costs to the population and to direct the struggle through less bloody channels. This principle is shared and supported by no small number of internal political forces.

Today's Dialogue

Of course, the task is not easy. Standing in the way of compromise is a long chain of interests that must be considered, and that are exerting a greater or lesser degree of pressure on the effort to devise a final, satisfactory document.

The guerrillas have shown great flexibility, and their basic demands could not be more logical: the purging of thugs and torturers from the ranks of the Armed Forces, the cleaning up of the judiciary, constitutional reforms to make possible a greater degree of internal political competition (at least those acceptable to the government), and a clear decision on the future of the country's armed organizations, including, of course, the revolutionary movement.

On the other side, the Americans and the Cristiani regime are playing their cards. Their primary goal is to demobilize and disarm the insurgents and to turn the FMLN into as diminished a political party as possible.

So it is on these terms that the dialogue is proceeding, and it must not be forgotten that the talks came about because of the guerrillas' capacity to resist, control, and deal strong offensive blows to the enemy to such an extent that it is obvious to local military officials and Yankee experts that the notion of destroying the opponents by force of arms is a mere illusion.

The Replay

Of course, there are a lot of strings being pulled in the background, and they must be taken into account.

The main impetus for the dialogue is official impotence in dealing with the guerrillas. Another important element is the fact that within the ruling party, the Nationalist Republican Alliance (ARENA), which has obvious rightist inclinations, the groups favoring modernization, of which Alfredo Cristiani considers himself a member, wield considerable influence, especially with regard to the exercise of executive power.

On the other hand, there is a national consensus in favor of the dialogue and ending the war. For businessmen, every day that combat continues represents regrettable economic losses. And the people have been the most direct victims of the punitive and terrorist actions of the Army and ultra-rightist groups.

El Salvador is building up a terrible accumulation of statistics, in addition to the tens of thousands of deaths due to violence: an illiteracy rate of 65 percent, an infant mortality rate of 70 per 1000, and an unemployment rate of 75 percent of the labor force.

One million people reside in the United States as economic and political refugees, often persecuted and threatened with deportation by the American authorities. Other tens of thousands, meanwhile, are displaced by the war, having fled to the hills and remote regions where their living conditions are atrocious, to get away from the organized slaughter conducted by the military.

And this situation is one of the factors that have prompted the guerrillas to openly seek definitive solutions. This does not for a moment mean, however, that they are abandoning their principles or selling out their cause.

Unlike other groups in the Latin American region today who are turning their backs on their history and begging forgiveness so that they can be included without reservation in the democratic-bourgeois game, it is obvious that the FMLN is pursuing a just dialogue in which the basic elements defended by the majority are taken into account and incorporated into national life.

In keeping with this attitude, moreover, the Farabundo Marti National Liberation Front maintains important ties with domestic political forces, and even includes their opinions and views on a wide variety of international problems in its proposals aimed at achieving peace.

Great Obstacle

It is clear, on the other hand, that the great stumbling block that stands in the way of any worthy solution is the position of the U.S. Government.

The United States' counterinsurgency policy with regard to El Salvador has undergone no major change. The United States today is playing with a stacked deck; it is advocating a mediated dialogue that serves its hegemonic interests, and if that does not yield results, it is prepared to promote the continuation of the hostile actions with a greater degree of interference.

In this regard, we should recall the extemporaneous remarks of the highest ranking Yankee officials in the wake of their victory in the Middle East, to the effect that El Salvador could become a kind of "Latin American Iraq."

Meanwhile, they insist on paying out millions of dollars to prop up the Salvadoran military apparatus, which is characterized by repression and violence against the people, and on launching defamation campaigns against the FMLN and its true desire to achieve a negotiated solution.

In the last few days they have pulled a new trick, an allegation that the guerrillas have Soviet-made missiles, supposedly obtained from Cuba. This represents a new attempt to create the illusion of "foreign intervention" in the conflict and justify new actions to increase support for the military, even though the U.S. intelligence agencies and the Pentagon know full well that these are bald-faced lies.

Despite the pressures and the attempts to discredit it, the FMLN has clearly shown its maturity and courage. For more than a decade, it was capable of waging a revolutionary struggle under adverse conditions in every sense, and in spite of all the internal and external setbacks, it has retained its ability to fight and its morality. It has forced its opponent to move toward political solutions even in the face of opposition from the extremists, who still wield great influence in the local right.

This is a great credit to the FMLN, as is its persistence in a world where the general trends do not exactly favor

revolutionary movements. In fact, right now the trends encourage smugness and hegemonism on the part of those who are pulling the strings in the counterinsurgency war that is buffeting the smallest country in Central America with all its terrible facets and variants. So when the history of this difficult period is finally written, the armed vanguard of the Salvadoran people will have to be recorded as one of the forces that resisted the blows and set an example of decent behavior, even though the olive branch will still take some time to be noticed.

El Salvador

Reaction to UN Peace Talks, FMLN Cease-Fire

Ponce on Cease-Fire

PA1409031091 San Salvador Radio Cadena YSU in Spanish 1800 GMT 11 Sep 91

[News conference by Defense Minister General Rene Emilio Ponce with unidentified reporters in San Salvador on 11 September—recorded]

[Text] Defense Minister General Rene Emilio Ponce today described the announcement of a unilateral cease-fire for 13 and 14 September—that was made by the guerrillas to create a favorable atmosphere for the upcoming meeting with UN Secretary General Javier Perez de Cuellar—as a contradictory act of propaganda.

The high-ranking military leader said it is illogical to speak of suspending military operations and sabotage activities against the country's economy one day after threats were reiterated against it. He stressed that the Army will continue its military operations throughout the country.

[Begin recording] [Ponce] This is another propaganda campaign by the Farabundo Marti National Liberation Front [FMLN]. I think they are contradicting themselves because they announced on 10 September that they were going to destroy and steal all the food from distribution vehicles to distribute it to the poor sectors. That contradicts the cease-fire they are calling for now. I think this is another propaganda act.

[Reporter] General, with the cease-fire announced by the FMLN, will the Armed Forces continue its military operations or will there be some measures taken, such as those announced by the FMLN?

[Ponce] We will continue with our constitutional duty. We cannot refuse to do so because we are obligated. We will continue operating in the 14 Salvadoran departments. We are present everywhere, even in those areas the FMLN calls its occupied territories. Our Armed Forces are there. We will continue operating in that fashion in order to cover the whole country.

[Reporter] Could we say that there will be some changes in the next few days with this new campaign, General?

[Ponce] We think the FMLN is waiting for several important events, such as the meeting in New York, the U.S. Congress debate on military aid, and the results of the Jesuit murder case. Based on the outcome of these events, they will adopt some stand. We recently seized several plans from the FMLN. I obviously cannot tell you about them, except to say that they contain completely different guidelines than those that would contribute to peace in the country.

[Reporter] Is there an Army plan to counter the FMLN campaign?

[Ponce] We will continue to carry out the strategic defense of the economic, political, and social system of the country. All our units are involved in the operation. Up to now, because of their efficient operating style, they have prevented the FMLN from achieving its objectives.

[Reporter] General, you said today it would be a mistake to broaden or change the dialogue conditions. Are you discarding your direct participation at the negotiating table [word indistinct]?

[Ponce] We strongly believe the government is the only body with the constitutional authority to bring peace to the country. The government must decide who will represent it in such an important effort to reach peace for all Salvadorans. The government must study this very carefully in order to decide whether or not it will change the structure of its negotiating team. We think the team has done a good job. We can see this in the agreements that have been reached on human rights and constitutional reforms. The positions have been brought closer at each round of negotiation that has been held up to now. I think the commission has done its work. We must carefully examine if it is wise to restructure or change it completely.

[Reporter] Would you be willing to sit face to face with the guerrillas?

[Ponce] Because I am part of the government of the Republic and am entirely subordinate to the president's authority, I must obey his decisions. If the situation demands this and the president so decides, we will do so for the sake of peace in our country.

[Reporter] What [words indistinct] to prevent the continued loss of materiel [words indistinct] by officers and troops [words indistinct]?

[Ponce] We have rules that try to prevent the loss of war materiel in the hands of personnel who leave the institution. It is not easy to control this. We are trying to prevent it from happening again. These are definitely the irresponsible acts of people who, in many cases, no longer belong to the institution. In our environment, however, it is difficult to find someone who has not done his military service, because there are so few who have not. In that light, when you talk of a former soldier, you accuse the institution as a whole. I think it is unfair to do so, because it is the individual act of a person who was in the service and managed to remove certain equipment, taking advantage of our situation. We hope this does not happen again. [end recording]

Regarding the compensation, which totals 2 million colones, that the Jesuit Order is demanding to aid the family of Elba Ramos, the defense minister said it is the judge who must decide on this issue, as the Armed Forces has no responsibility in this case.

FMLN 'Ready' For Decisions

PA1309162591 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 12 Sep 91

[Station commentary: "We Are Ready for the Final Decisions"]

[Text] Following the declaration of a truce and the suspension of offensive operations by the National Army for Democracy [END], the Farabundo Marti National Liberation Front [FMLN] seeks to contribute to the New York meeting so that it can produce substantive results that can lead to ending the war.

Salvadorans. even members of the military Arena [Nationalist Republican Alliance] regime, must know that now is the time to enter the final stretch of the war and proclaim victory for civilian society and for new, deeply democratic institutions.

The FMLN and the END are ready to make the final decisions and join the institutional, political, and legal life of the country just as was established in the Geneva protocols and the Caracas agenda.

Since the beginning we have made proposals and initiatives on the military issue so the conflict can be resolved without political or military advantages for either side. We have received negative responses, inflexibility, and irrational conduct in response to our proposals from the high command and the Arena apparatus. In addition to this, after 11 years of war they are trying to disregard the political and territorial reality, which is the existence of another army that has been forged outside as a criminal institution.

It is this reality that has led us to seek a politically negotiated solution to the national conflict. To demand the FMLN's unilateral demobilization and disarmament, as Defense Minister Rene Emilio Ponce, Vice President Francisco Merino, and President Alfredo Cristiani have, is to seek the FMLN's defeat at the negotiating table when they have been unable to do so on the battlefield, and they never will.

In addition, their demands show their desire to eliminate any political initiative that could speed up the negotiations, such as the one promoted by UN Secretary General Javier Perez de Cuellar.

The mistake made by the military officers is serious and it will lead to greater bloodshed. If they hold on to the idea that there is no other military force in El Salvador—a force that should also be part of a new army as a guarantee of its neutrality—they are provoking the END into demonstrating its power so any doubt is totally dispelled and so agreements can be reached to end the war.

Gentlemen, you are playing with fire. And while General Ponce brags about how his troops are entering our territory just as the FMLN has declared a truce, let us make it clear that the END will respond to provocations until you understand that negotiations must be held and a new neutral army must be created that respects civilian society.

Commander on Direct Talks

PA1409153491 San Salvador Radio Cadena Horizonte in Spanish 1830 GMT 13 Sep 91

[Report by Alexis Diaz]

[Text] The joint command of the Farabundo Marti National Liberation Front [FMLN] has said that the meetings called by UN Secretary General Javier Perez de Cuellar with President Alfredo Cristiani and the guerrilla command could yield concrete agreements if the parties meet directly with Perez de Cuellar.

Perez de Cuellar's initiative will materialize on 16 September when Cristiani and rebel commanders meet with him at UN headquarters in New York. Our country's president has on several occasions reaffirmed that he will not meet directly with the guerrillas.

In view of this, Damian Alegria, commander of the FMLN's National Army for Democracy [END], insisted that Cristiani must not shun a meeting with members of the insurgency's general command, because, besides hurting the possibility of signing a cease-fire agreement, he would show that military power is above civilian power:

[Begin Alegria recording] As for Cristiani's decision or attitude of not meeting with the FMLN General Command, we believe that it is an inexpedient measure that actually reflects Cristiani's indulgence or submission toward the most backward sectors of the country. In fact, Cristiani's submission to the most backward sectors of the country stands as an (?obstacle) to a political solution. [end recording]

As for the invariable position of President Alfredo Cristiani and Defense Minister General Rene Emilio Ponce, who oppose the ratification of constitutional amendments on the Armed Forces as long as the war conflict persists, the rebel commander said that this shows the continuation of military, because they are trying to exercise their influence in a decision that pertains to the legislative branch.

Commander Damian Alegria added that END will not lay down its arms as long as the government does not allow its incorporation into the Armed Forces, because only this will guarantee the peace agreements that might result from the negotiation between the parties:

[Begin Alegria recording] The FMLN and END are unavoidable factors in the reorganization of our society's military components. The END is the main factor for change in our country. Its participation in the new armed forces, which will be established as the negotiation process advances, is a necessary condition for the attainment of the country's stability and future economic development.

We believe that statements by Cristiani and Ponce actually reflect their resistance to a genuine negotiation within this process to find a political solution. [end recording]

Captain Daniel Alegria said that as an example of the FMLN's political flexibility, the guerrilla combatants will respect the unilateral truce decreed by the insurgency's general command from 0000 on 13 September until the end of meetings between Javier Perez de Cuellar and the parties.

Finally, the rebel commander pointed out that the insurgent combatants will resume their military and sabotage actions if no concrete agreements leading to a cease-fire are reached at the meetings at the United Nations.

Minister on Role of Talks

PA1309182591 San Salvador Radio Cadena YSKL in Spanish 1227 GMT 13 Sep 91

[Text] Oscar Santamaria, Salvadoran minister of the presidency and head of the governmental commission in the talks with the guerrillas, said that the presence of UN Secretary General Javier Perez de Cuellar in the El Salvador talks means that he has assumed full leadership of the peace process. Santamaria said that Perez de Cuellar thinks the cease-fire negotiations have reached the point of diminishing returns and that they have lost credibility because of the lack of results.

Cristiani Not To Meet Rebels

PA1409155191 San Salvador Canal Doce Television in Spanish 0300 GMT 14 Sep 91

[Text] President Alfredo Cristiani said on 14 September that he is not going to meet with the general command of the Farabundo Marti National Liberation Front [FMLN], even if UN Secretary General Javier Perez de Cuellar asks him to do it.

[Begin recording] [Cristiani] I am not going to meet with the FMLN.

[Reporter] Even if the secretary general of the United Nations asks you?

[Cristiani] Even if the UN secretary general asks me. I am not going to meet with them on this occasion. [end recording]

The president has again discarded the possibility of a meeting between him and the FMLN General Command, even if the meeting is requested by the UN secretary general. Cristiani said he is going to this meeting with UN Secretary General Javier Perez de Cuellar hoping for progress through mechanisms to be discussed there.

[Begin recording] [Reporter] Mr. President, Dr. de Soto said this morning that the FMLN has desisted from its idea of incorporating itself to the Armed Forces and of demanding the elimination of this institution. What obstacles remain for signing a cease-fire, now that the issue, according to you, which has been impeding the signing has been resolved?

[Cristiani] If this is true we are on a good path. It would only be a matter of creating conditions and providing the necessary guarantees for the reincorporation of the FMLN into society. If what the representative of the secretary general said is correct, I am sure that 1991 will be the year of peace.

[Reporter] You will not meet directly with the FMLN? Do you want to reiterate this position?

[Cristiani] I am reiterating it again.

[Reporter] You will not meet with the FMLN.

[Cristiani] The conditions are not present for the president to meet directly with the FMLN.

[Reporter] Even if Dr. Perez de Cuellar asks that the meeting take place?

[Cristiani] If a request is made for a meeting at this moment, the answer is no. I am being accompanied by members of the Peace Commission so that if a direct meeting is necessary, these members can hold this meeting with the authority and the approval of the presidency. [end recording]

Soldier Blamed For Grenade Incident at Mapulaca

PA1309155191 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 11 Sep 91

[Text] Late in June an individual threw a grenade at a group of people including Honduran Army territorial troops in Mapulaca Department of Lempira, Honduras. Two women were killed and several soldiers and three civilians were wounded.

At first, the Honduran Government, through its Foreign Ministry, held the Farabundo Marti National Liberation Front [FMLN] responsible for the attack. A similar stand was taken by the Salvadoran Government. The report was rejected by the National Army for Democracy [END] in Cabanas after investigating the incident. The loud reports by the Honduran and Salvadoran Governments against the FMLN were suddenly followed by complete silence. Nevertheless, on 10 September we learned of remarks by Honduran Vice President Jacobo Hernandez Cruz reiterating the charges against the FMLN for the Mapulaca incident.

In view of the numerous accusations, we regard it as necessary to make known the partial results of the FMLN's investigation. The perpetrator of the criminal act has been identified as a member of the Salvadoran Army. The individual who threw the grenade in Mapulaca and who also died in the explosion was private Teodoro Hernandez Urbina, born in Sensuntepeque, Cabanas Department, and on whom was found a carnet identifying him as a Bracamonte Battalion member. The

carnet was picked up by Mapulaca Justice Leonor Alfaro Amaya when she recognized the body, according to numerous witnesses among the local civilian population.

We expect the Honduran Government to conduct a responsible inquiry on the incident and not keep silent on or conceal the identity of the person responsible for the murder, a member of the Salvadoran Army. The false charges against the FMLN regarding the Mapulaca incident can only be interpreted as part of a dirty war plan of Honduran military men acting in coordination and complicity with Salvadoran officers to justify the aggression against the territories controlled by the END, as has happened over the past few weeks.

We think the disclosure of this important information on the Mapulaca incident will help clarify the matter and reestablish the normal relations and understanding that have existed between the Honduran Government and Armed Forces on one side and the FMLN on the other. It is only to be regretted that some Honduran military men have forgotten that the officers leading the Salvadoran Army at present are the same ones who looted and terrorized the southern region of Honduras 22 years ago. We reiterate our policy of understanding with the Honduran Government and Armed Forces.

Commentary Views Division Within Arena Party

PA1409164791 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 13 Sep 91

[Text] Almost two months have passed since the kidnapping of Guillermo Sol Bang, and many of us ask ourselves why he has not yet been found. Why have Arena [Nationalist Republican Alliance] and the Armed Forces offered no explanations or clues about the investigation and why did they not make the same scandal about Billy Sol Bang as they did about Gregorio Zelaya?

In the case of Billy Sol, there are many things that have no explanation, such as the following:

Why have Billy Sol Bang's bodyguards not been called in for questioning? How was it possible for anyone to penetrate the complex security system surrounding Billy Sol Bang? Why does Vice President Francisco Merino insist that Sol Bang's family handle the matter? And finally: Why have Roberto D'Aubuisson and President Alfredo Cristiani not denounced the case as strongly as Armando Calderon Sol has? These questions have one answer: Billy Sol is among friends. He is scared, a hostage, and has been mistreated, but he is among friends.

Billy Sol was kidnapped precisely when the internal feuds of Arena were at their peak because of the changes in the negotiations and the dispute about who would succeed the party leadership upon the death of D'Aubuisson. This was a time when many Arena sectors were speaking out against the talks with the FMLN [Farabundo Marti National Liberation Front] in Mexico and were accusing the government's negotiators of treason, while D'Aubuisson was suffering from a fatal case of cancer in the United States.

It was under these circumstances that Arena appointed Armando Calderon Sol and Billy Sol Bang as liaisons between the party and D'Aubuisson to carry the party's queries to D'Aubuisson and return with his guidance. On one such visit, Billy Sol strongly questioned D'Aubuisson about why he was allowing Cristiani to act outside of the party and why he, D'Aubuisson, was acting with such arrogance. D'Aubuisson felt attacked and felt his authority being questioned. He looked to his most faithful and extremist supporters such as Vice President Merino, (Negro Sagrera), and General Rafael Bustillo, who manage the Anticommunist Front and were opposed to some of Billy Sol's statements about the negotiations. The abduction took place amid this scenario of intrigue. It was not a complicated operation and could only have been carried out by those who knew Billy Sol Bang's movements well.

As everyone was committed to silence, it was Calderon Sol who had to break it. He, unlike others, did not accuse the FMLN, but groups that oppose peace. It was evident that Calderon Sol knew who had abducted his friend. Furthermore, it has been disclosed that Calderon Sol and other Arena leaders complained to Alfredo Cristiani because he did not adopt a more open attitude and condemn the kidnapping. Cristiani abstained from condemning the abduction, choosing instead to invent accusations against the FMLN.

The hardening of Arena during the negotiations comes from its internal divisions and not from its cohesion. Kidnapping is a choice resorted to by those Arena sectors that reject the negotiations. They have done it in the past and will continue to do it in the future. The cornering of Arena by the Javier Perez de Cuellar initiative has forced D'Aubuisson, despite being nothing more than a living corpse, to return to El Salvador before the party starts to crumble.

All of this only makes one ask the following question: What explanation will the Arena leadership give to the political apparatus and the party members during the forthcoming meeting of the National Executive Council (COENA) during its tenth anniversary? Or better yet, who will be the next person kidnapped to block the peace negotiations during its most crucial phase?

Guatemala

Opposition Causes Serrano To Cancel Belize Trip

PA1309231491 Panama City ACAN in Spanish 2243 GMT 13 Sep 91

[Text] Guatemala City, 13 Sep (ACAN-EFE) Guatemalan President Jorge Serrano today called off his visit to Belize that was scheduled to last from 19 to 21 September. He said he was heeding requests from political and social sectors that opposed the visit.

Serrano announced at a news conference that he spoke today with Belizean Prime Minister George Price to explain his government's stance, following the recognition of the independence of that former British colony, and to tell him it was not advisable for him to make the visit at this time.

The president also announced that Belizean Foreign Minister Said Musa will arrive on 16 September to finalize the details on the full establishment of diplomatic relations.

Serrano's trip to Belize had been called a "humiliation" by opposition and nationalist sectors that reject the government's decision to recognize Belize, whose territory Guatemala has claimed since the last century.

Honduras

Callejas Comments on Salvadoran Peace Talks

PA1509195791 Panama City ACAN in Spanish 1706 GMT 15 Sep 91

[Text] Tegucigalpa, 15 Sep (ACAN-EFE)—Honduran President Rafael Callejas said today that "Central America is hoping for peace in El Salvador" and predicted that the meetings that the representatives of the Salvadoran guerrillas and the Salvadoran Government will have this week in the United Nations will be "successful."

Callejas told ACAN-EFE that "both the FMLN [Farabundo Marti National Liberation Front] and the government of President Alfredo Cristiani have our support for their search for peace in El Salvador."

The president said that "the Salvadoran people cannot support more pain" and "now is the moment for putting an end to the war."

Callejas did not want to discuss details of the separate meetings that the Salvadoran Government and the FMLN will have in New York with UN Secretary General Javier Perez de Cuellar. He said that "what is important is that the dialogue does not fail."

Callejas briefly referred to the Soviet Union's announcement that it will withdraw 11,000 military elements from Cuba. He stated: "We respect each country's decisions. It is important to analyze the Soviet Union's request that the United States reduce its military presence in Central America."

The United States has approximately 1,200 soldiers in Honduras. These soldiers participate in exercises with local troops and in civic action programs.

Callejas said that the opening that has taken place in the Soviet Union "is fairly big and Honduras applaudes all efforts for peace in the world made by any nation."

Callejas Celebrates Independence Day on Amapala

PA1609021991 Mexico City NOTIMEX in Spanish 2048 GMT 15 Sep 91

[Text] Amapala, Honduras, 15 Sep (NOTIMEX)—Honduran President Rafael Leonardo Callejas today presided over the 170th anniversary of the nation's independence on Amapala, an island in the Gulf of Fonseca, which is the object of a dispute with El Salvador.

The president and part of his cabinet unexpectedly traveled to Amapala, where six years ago the United States installed a powerful radar station to monitor the shipment of weapons to the Salvadoran guerrillas.

Honduran Air Force F-5's flew over the Gulf of Fonseca as President Callejas and his delegation sat in the grandstand to watch the festivities.

"We wanted to be present on this island to reaffirm our sovereignty over this insular part of the Gulf," General Luis Alonso Discua Elvir, commander of the Honduran Armed Forces, stated.

Honduras and El Salvador maintain a dispute over their land and sea borders. The International Court of Justice will issue a decision on the dispute at the latest in 1992.

Callejas watched the parade of schools of the country's southern area and the military battalions that protect the country's border with El Salvador and Nicaragua.

The president traveled to the Amapala Naval Base, where the Honduran Armed Forces maintain patrol boats to protect the Honduran waters in the Gulf of Fonseca.

In Tegucigalpa, San Pedro Sula, and the country's main cities, paratroopers from several Central American countries demonstrated their parachuting skills, jumping from more than 7,000 feet.

Minister Discusses Eligibility for New Loans

PA1409004891 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 13 Sep 91

[Text] Benjamin Villanueva, Honduran minister for finance and public credit, yesterday announced that international financial organizations will forgive millions of dollars of Honduras' foreign debt and that the World Bank has declared Honduras 100 percent eligible for concessional loans.

[Begin recording] [Villanueva] The most important thing about this decision is that the United States, to which we owe the greatest portion of our foreign debt—which is approximately $550 million—has declared our country eligible to write off a portion of this debt, which originated in the loan identified as (?TL-480) and funds from the Agency for International Development [AID]. This portion amounts to approximately $400 million. This will allow us to use resources for our country's internal

development that we otherwise would have to use to amortize our foreign debt. Such projects include social security, IDB [International Development Bank] support, family allocation, housing, and other programs.

Honduras has also been selected as one of the countries, along with Chile, Bolivia, and Jamaica, that have responsibly and properly been handling their macroeconomic policies. I understand that these are the only four countries selected for this write-off. As you know, Chile has experienced a surprising recovery of its macroeconomy. Bolivia and Jamaica are right on Chile's footsteps. Honduras is also thought to be on the right macroeconomic track. This is an essential condition to be considered in this group of countries. More good news is that AID, which provides concessional funds to Honduras, has declared Honduras 100 percent eligible for concessional funds. Concessional means 50-year terms, 20 years of grace, and 2-percent interest. The only way Honduras can continue to decrease its indebtedness is by getting financial aid from these international organizations. Our debt to these organizations was too high. Servicing our debt bore down heavily upon the Honduran economy. But we need those resources. The only way we can receive them is under conditions approximating a donation. AID loans are very close to a donation because they are payable at such a long term and such a low interest rate that the amortization will have the smallest possible repercussion on the country's finances.

[Unidentified reporter] But this means that our debts will continue to increase.

[Villanueva] We have planned not to increase the country's foreign debt beyond a certain percentage of the GNP. The service of our debt should not exceed 12 or 13 percent of our exports. This percentage results in a high but still acceptable figure. It is within these parameters that we are managing our foreign debt. We believe that any additional foreign loans should create additional exports and revenue. We cannot afford to sign either loans to defray social expenditures only or loans that will not result in additional revenue to amortize these loans in the future. We must take advantage of the fact that we are again eligible to construct an exporting economy, one that brings in revenues, so that future generations can have the necessary resources to pay back the debt in 10 or 20 years.

[Reporter] How much does the government expect to receive in loans and donations by the end of the year?

[Villanueva] In October, we will receive $150 million for the energy sector. This loan has been approved recently by the World Bank and the IDB. We are negotiating another $100 million with the IDB to expedite production and finance industrial, agricultural, agroindustrial, and export projects. We are also negotiating several concessional loans: one for the agricultural sector and another for social adjustment that is meant to finance education and health. Still another loan will support the World Bank's family allocation program. Last but not least, one $100 million loan will finance road maintenance programs. So the doors are open for us. It all depends on our moving fast enough to make the necessary feasibility studies so that we can receive the money.

[Reporter] Mr. Villanueva, the executive branch has expressly instructed you to investigate the reported contraband of coffee worth millions during the period from 1983 to 1986. Can you tell us about the progress of the inquiry?

[Villanueva] The Finance Ministry and the Customs and Tax Directorate are investigating whether there was indeed contraband and tax evasion from 1983 to 1986. Should we find that this was the case, we will enforce the law against those responsible for contraband and tax evasion. This situation came to light when U.S. authorities investigated the Bank of Credit and Commerce International, which has been closed. Irregular activities linking Honduras in the period from 1983 to 1986 have been reported. It is important to determine exactly what happened and the identities of those involved so that no shadow will be cast on the honor and credibility of the country or the president. [end recording]

Nicaragua

Government Pays Outstanding Foreign Debts

PA1409160991 Managua Radio Nicaragua Network in Spanish 1815 GMT 13 Sep 91

[Communique issued by Press and Information Directorate of the Presidency in Managua on 13 September]

[Text] The Government of the Republic of Nicaragua informs the Nicaraguan people and the international community the following:

On 13 September the Nicaraguan Government paid its long overdue debts with the International Bank for Reconstruction and Development, the World Bank, and the Inter-American Development Bank, IDB, after concluding complicated financial operations.

With the payment of these debts, which had been outstanding for more than seven years, Nicaragua is now completely current in its payments and, thus, eligible to receive new loans from these important development banks.

The payment of the debts was possible thanks to the valuable and generous contributions of the Governments of Germany, Austria, Canada, Korea, Denmark, the United States, Finland, France, Holland, Norway, Sweden, and Switzerland. We were also able to pay the outstanding debts with the loans from the Governments of Colombia, Spain, Mexico, and Venezuela and with the complementary development loans from the Governments of Germany, Japan, the Republic of China, and Switzerland.

Nicaragua has once again gained access to the World Bank's and the IDB's financing for its development programs—key elements in the economic reconstruction of Nicaragua—thanks to the international community's firm support of the programs of President Violeta Chamorro's government of national reconciliation and to the extraordinary work conducted by the government.

People Urged Not To Obey 'Somozist' Laws

PA1409235391 Mexico City NOTIMEX in Spanish 0111 GMT 14 Sep 91

[Text] Managua, 13 Sep (NOTIMEX)—The Sandinist National Liberation Front (FSLN) Directorate on 13 September called on the people not to obey the "Somozist laws" recently approved by the Nicaraguan legislature because they promote "destabilization."

In a communique, FSLN Secretary General Daniel Ortega stated that "the unpatriotic minority" could create "illegal" laws to destroy the democratic achievements and to offend the honor of the country's heroes.

On 12 September the Nicaraguan National Assembly repealed the law assigning the names of Sandinist "heroes and martyrs" to public buildings and locations. Meanwhile, the Assembly is discussing the president's veto of the property bill.

The bill, which affects the transfer of state property to private individuals during the last two months of the Sandinist administration, has been described by its opponents as "unconstitutional" and "Somozist."

The FSLN also called on the people to unite to "resist" and "defeat" those who promote destabilization in the country.

Former Contra Leader Warns of Return to War

PA1409162591 Paris AFP in Spanish 0128 GMT 14 Sep 91

[Text] Managua, 13 Sep (AFP)—A former contra leader warned today that "an armed incident" could take place "shortly" in Nicaragua if President Chamorro does not give a "clear and just" response to the demands of the demobilized, who are asking for restructuring of the Sandinist People's Army [EPS].

While the rumors are on the rise regarding EPS major troop movement in northern Nicaragua, one of the top former rebel leaders, Commander Invisible [Rodolfo Ampie], blamed President Chamorro for the rearmament of the contras and noted: "We will continue fighting as long as we can."

Ampie—who made these statements today to a local radio station—laid down his weapons in June 1990, together with 22,000 other men, after President Chamorro assumed power.

Meanwhile, the official mayors' movement "Let Us Save Democracy," is in "permanent session" in an attempt to halt what they believe is Nicaragua's imminent return to war.

At the same time, it was learned that a group of former top contra leaders, among which could be Commander Invisible, allegedly would be announcing the formation of the Nicaraguan Resistance Party (PRN) [Partido de la Resistencia Nicaraguense].

According to what has been leaked out, former top contra leaders Israel Galeano "Commander Franklyn," who currently works in the Government Ministry, and Oscar Sobalvarro "Commander Ruben," who heads the Repatriation Institute, would be excluded from this party.

"If the government continues to deceive us, we will let them know that we continue being Nicaraguan Resistance and that we will not betray our principles," Invisible stated.

To explain his position, Ampie blamed the government for "not giving a clear and just response" to the demands of the demobilized, who are asking for the restructuring of the armed institutions in northern Nicaragua.

The former contras also demand that the Sandinists "who have victimized the demobilized" be punished and that the victims of those abuses be compensated.

Recontra Commander Comments on Current Situation

PA1309201291 Managua Radio Sandino in Spanish 1200 GMT 10 Sep 91

[Text] Bolivar, one of the recontra commanders, has asserted that approximately 22,000 [number as heard] men will join the rebel forces should a war arise. Jaime Zeledon, better known as Bolivar, heads approximately 600 recontras in the village of El Mojon in the Jinotega mountains. He has stated that the recontras will continue to pressure Violeta Chamorro to get her to remove Army Commander General Humberto Ortega. Bolivar also called for social benefits for the peasants and for peace in the northern region. He said bullets were not flying currently but that they could activate 2,000 former contras and retrieve weapons hidden in arms caches. Bolivar said the recontras await direct dialogue with President Chamorro to reach important agreements. Here are Bolivar's statements to Jose Esteban Quesada in El Mojon.

[Begin recording] My name is Jaime Zeledon Benavides, aka Bolivar. I am in the Nicaraguan mountains demanding my rights. As a Nicaraguan citizen and as one who fought against the Sandinist regime for 10 years, I ask President Chamorro to keep her promise and totally disarm Nicaragua so we can have true peace in this country.

[Quesada] Has any progress been made to avoid an armed conflict at this last stage of the negotiations, since

Jose Angel Moran Flores, alias El Indomable, recently read to Government Minister Hurtado a communique according to which a board of commanders was appointed and the division of military zones was made?

[Bolivar] We appointed the board of commanders to [word indistinct] a more serious negotiation with the government in search of democracy in Nicaragua. We believe that if the government has the will to pacify the nation, we, as well as the fighters who are in the mountains, have the duty to pacify the region to avoid further bloodshed. But we also realize that if the nation's armed institutions are not definitely disarmed, there cannot be democracy in this nation. I will make it clear to you: the nation's Armed Forces must be disarmed. I will go into even more detail. We are asking President Chamorro for the real army she promised the people: a democratic civilian army. This is what the Nicaraguan people voted for. We do not want an army in our country, we are not at war, we have no one to fight. We want a 6,000 to 7,000-man police force that will keep law and order. We do not want an army of 26,000 soldiers; we are not at war, there is no armed aggression on the part of any nation against this nation.

[Quesada] In other words, you mean the total reform of the Sandinist People's Army and the police force.

[Bolivar] We mean what President Chamorro promised, reform of the Army high command. The president promised the Nicaraguan people she would remove Gen. Humberto Ortega three months after she took office: two years have gone by and Mr. Ortega is still sitting there, just like in 1979 when he took over.

[Quesada] Then this appears to be the great stumbling block, because President Chamorro has kept Gen. Ortega on as Army commander while the recontras insist that he be removed.

[Bolivar] We believe that Gen. Ortega has to be replaced by a civilian. As former Costa Rican President Oscar Arias has said: Gen. Ortega must be removed to pacify Nicaragua.

[Quesada] Do you agree with the name your forces have been given, the recontras?

[Bolivar] We are the same contras. I do not know if it is the Sandinists or the government that coined that name, but we are the same contras who fought for 10 years. It could be an attempt to discredit the Nicaraguan Resistance [RN], but we are the same ones who fought during the 10 years Daniel Ortega was in power.

[Quesada] Bolivar, I have noted that your boys are guarding you, armed, as if they are at war, although I understand a cease-fire has been declared. I have also noted that Franklyn [Israel Galeano] and Ruben [Oscar Sobalvarro], who belonged to the RN's high command, now hold government positions. There appears to be no consistency in this movement.

[Bolivar] Oscar Sobalvarro, alias Ruben, and Israel Galeano, alias Franklyn, are government employees. Sobalvarro and Galeano are government employees who are not working for the RN's benefit but rather to help the government process.

[Quesada] What possible solution do you see to this conflict, to this security situation in the mountains, while you continue demanding that the Army be disarmed and Ortega removed, as you said. There are other people who, like Antonio Lacayo, believe the Army is an institution that had to continue, even after the elections.

[Bolivar] I believe the Nicaraguans' sense of insecurity lies in the arms buildup. All Nicaraguans have demanded the dissolution of the Army. We are in the mountains protecting the peasants. They fear the Army because during the war these soldiers persecuted the peasants. The Army arrested them, harassed them. I think that if all of us Nicaraguans cooperate for peace we are going to reach an agreement and we will disarm. We are willing to disarm; however, President Chamorro has to fulfill her promise to demilitarize this nation.

[Quesada] When is the next meeting between the government representatives and the recontras?

[Bolivar] We sent a letter asking to meet on 23 September with President Chamorro but we have not yet received a reply. We are not sure when the meeting will be because this date has not been confirmed. We are ready for a dialogue, we are willing to cooperate with the government as soon as President Chamorro fulfills her promises.

[Quesada] Is there [words indistinct] in the mountains?

[Bolivar] Up to now there has not been any. We told President Chamorro, as defense minister, we addressed her as the defense minister, that she would be making a grave mistake if she sent the Army after us because it is going to come up against the same men it fought for 10 years.

[Quesada] According to what you have said, if the recontras and the Army meet up here nothing will happen?

[Bolivar] I believe that if the Army does not shoot first I will not shoot. We are willing to talk to the Army; we are all Nicaraguans. If it does not attack us, we will not attack it.

[Quesada] Does that mean there can be a dialogue between the Army and the recontras, who have been killing each other for 10 years?

[Bolivar] [words indistinct] there is an understanding; as I have said, we want to cooperate. I believe that if those of us who were at war and who continue to be at war with each other can reach an agreement, we will bring peace to Nicaragua.

[Quesada] How many recontras are there? There are different versions—some say 300, others say 600, still other say 1,000. Radio listeners would like to know how many recontras there are.

[Bolivar] We are approximately 2,000 men in the different fronts, in Regions I, VI and part of [names indistinct].

[Quesada] Do you receive aid from the Unites States, anti-Sandinists, or from sectors who oppose President Chamorro's government?

[Bolivar] We are not receiving aid from the U.S. Government nor from revengeful people, as the Sandinists call them. We have a weapons cache because we never truly trusted the Sandinists. We want to make it clear that we are not receiving aid from anyone except from the Nicaraguan people, who helped us for 10 years and who continue to help us because they trust the RN fighters.

[Quesada] To conclude, let me ask you, Bolivar, do you see any possibility that the National Disarmament Commission will work out?

[Bolivar] If Nicaraguans see that this disarmament commission is nonpartisan, if its starts to operate, I think we can find a solution to this country's problems.

[Quesada] Bolivar, I almost forgot to ask. With whom will the dialogue be?

[Bolivar] The dialogue will be with President Chamorro, Cardinal Miguel Obando y Bravo, and Minister Carlos Hurtado.

[Quesada] Only with those persons?

[Bolivar] Yes, only with those persons because in the past President Chamorro has sent some government officials with no decision-making power. We do not want to talk and talk endlessly with no decisions made. We want definite and objective answers to reach an agreement among ourselves.

[Quesada] Have you asked the cardinal if he is willing to participate as mediator, as he has on other occasions?

[Bolivar] I believe the cardinal has always been willing to participate as a mediator during the whole Nicaraguan conflict and, according to his recent statements, he will do anything possible, anywhere, to bring peace to Nicaragua. I do not think he will refuse to mediate for peace in Nicaragua.

[Quesada] How many zones in northern Nicaragua do the recontras control?

[Bolivar] Currently we are operating in three regions—Regions I, V, and VI.

[Quesada] You operate in these regions with 2,000 men?

[Bolivar] Yes, we operate in these regions with 2,000 armed men.

[Quesada] Are there more men? Do you have more weapons?

[Bolivar] Given the insecure environment that exists, it is possible that more persons will join up. [end recording]

RN Sends Letter to Government on Violence

PA1409035691 Managua Radio Catolica in Spanish 1130 GMT 13 Sep 91

[Text] The Civic Association of the Nicaraguan Resistance [RN] has sent a four-page letter to the government saying that the government is not living up to its commitments with the RN and that violence in the northern part of the country has increased.

Among other things, the communique reported the events that took place last weekend in Tierra Blanca, where more than 80 armed men dislodged members of the RN from this land and killed several of them. The communique, which was signed by commanders Invisible, Rodolfo Ampie [words indistinct] and Justo Pastor Meza, stated that the police chiefs in the northern part of the country were previously members of the security office.

Former Political Prisoners Demand Guarantees

PA1309185591 Managua Radio Corporacion in Spanish 2300 GMT 12 Sep 91

[Communique by the National Movement of Former Nicaraguan Political Prisoners, issued in Matagalpa on 11 September, read by announcer]

[Text] 1. We demand condemnation of the massacre at the Oscar Benavides Enterprise known as Tierra Blanca, where forces of the Sandinist People's Army brutally attacked former national resistance members just because they justly demanded their rights to land that President Violeta Chamorro promised them in addition to loans, jobs, houses, and other things.

2. We ask President Chamorro's government: When will these criminal abuses by the Sandinists against unarmed fellow citizens who were resistance members stop?

3. We demand that the Government of Violeta Chamorro stop proclaiming that there is justice and liberty here and tell the rest of the world that there is no justice here, that Nicaraguan citizens have no security, and that there is no state of law or guarantee of security for all Nicaraguans.

The National Movement of Former Nicaraguan Political Prisoners is a pluralist and democratic organization that wants peace and liberty. However, the government of Mrs. Chamorro and Humberto Ortega does not want peace. It wants war.

4. The National Movement of Former Nicaraguan Political Prisoners will be forced to take up arms again in order to obtain for Nicaragua a real government of national salvation.

[Issued] Matagalpa, 11 September 1991
[Signed] Juan Antonio [name indistinct], president
Pablo Laguna, vice president
Joaquin [name indistinct], financial secretary

* Editorial Criticizes Decrees on Property Issue

91CA0221A Managua LA PRENSA in Spanish 20 Aug 91 p 4

[Commentary by Horacio Ruiz]

[Text] The idea of the pinata, as I remember from playing the game as a child, is not the 1990 version. At children's parties the object was to grab as much as possible, shouting happily in the tumult of this authorized free-for-all. Afterwards, when we checked our hands to see what luck we had had in the game's uproar, the adults used to warn us affectionately: do not eat sweets without washing your hands, share your prizes with the other children, etc.

The two decrees the executive issued on the night of Monday, 19 August, have the same tone: first, there is a tacit acknowledgement of the right to retain legitimate possession of all the state property stolen in the "pinata" of February and April 1990, which is a real scandal. Afterwards, there is an almost maternal admonition to the players to behave well with what they got out of that melee.

In the introduction to the first decree, the Executive recognizes that everything acquired in a fraudulent sale by the Sandinist owners was in accordance with the law; even so, it can never be agreed that the purchase of state property valued at $1 million for only $2,000, to give an example, is an honest operation whose consequences must be accepted as fully legally binding. Still, the government says it is.

The purchases made under Decrees 85 and 86 are an international shame to the outgoing Sandinist government, but the Executive has decided that they were done correctly, even though the difference between the real price and the price paid shows that a real fraud was perpetrated against the national treasury, and consequently, against the Nicaraguan people.

The first overwhelming contradiction appears here: if the Executive recognizes that the sales were properly transacted, why does it have to get involved now, with one of its 19 August decrees, to determine whether the properties purchased in the "pinata" are being correctly used, in accordance with "the letter and spirit of the Law," as the decree states.

If a person buys property for any price whatsoever, even if it is really worth $1 million, and the Executive recognizes the sale as legitimate, that grants full and absolute rights to the purchaser, who then has the right to do whatever he wants with his property. Here is the first of a series of confusions created by these two decrees. Property purchased in the "pinata" is illegal, but the government says it is legal. Then it invades that legality, trying to determine whether the purchaser is maintaining an appearance of legality.

That is why people are saying that in Nicaragua we seem to be living in Alice in Wonderland territory, where everything seems to be upside down, or is so full of confusing details that you emerge from the maze without understanding anything. Except that the Executive has reached new levels of harmony with Sandinism, either through fear of terrorism, because it does not have sufficient public strength to defend the state's rights, or perhaps because of shameful underground political deals.

So that the people who profited from the "pinata" can demonstrate that they are doing the right thing with the property they acquired, an office has been set up with the amusing name of OOT [Office for Territorial Organization], which will be abbreviated still further, being called simply "the office," with all the implications that shorthand suggests.

The idea is that the OOT will issue a report that the property, which in reality does not have any reason to be subjected to such an investigation because of the full ownership that was recognized by the Executive itself, is being occupied exclusively by family groups. In other words, in each of these houses there must be a head of household, his wife, and his children. Otherwise, there would be doubt whether the property is being used correctly. In reality, this should not matter to the State, as the ownership of the property has been recognized as fully legal.

This means that many people who obtained two, three or even four houses will have to move around from one to another, along with their family groups, to be ready when the inspectors come to check that everyone is living in conjugal and family harmony. In addition, they will have to buy stamps costing 150 cordobas to obtain their report from the "office." This is a ridiculous amount of money in comparison with the values of the properties stolen from the State. As we see, the penalties for grabbing everything in the "pinata" here are mild, lenient, a paternal tap on the wrist, so that the children will understand that grabbing whatever they can is fine, but they have to behave well.

Then the children are frightened with something terrible: if they try to transfer the property they bought, it will not matter that the property was purchased legitimately according to the State, they will still have to pay a fine equivalent to 100 percent of the property's value.

Here is a new legal quandary: we understood that no government has the right to tax any transaction so harshly, especially as these are residential houses and not capital gains. Even in the case of capital gains, as a matter of simple justice there is a natural legal limit, so that no citizen's pocketbook can be penalized by a virtual expropriation poorly disguised as a tax.

In reality, the Executive is here showing special sensitivity, in threatening the property owner with taking his house away if he tries to sell it outside his family. But the decree does not specify any later legal actions. It is deliberately vague, if not totally silent, on later legal remedies. So we have to take this threat of a supertax as nothing more than another mealy-mouthed warning by the Executive to the children playing the game to behave well.

This inability to face harsh reality and take its consequences to the limit, which is a government's responsibility, is evident at this grave moment when our internal problems are at the point of culmination. The 19 August decrees barely mention in passing the painful fact that the value of the houses sold in 1990 is a real despoliation of State resources which could have paid for the construction of dozens of hospitals, thousands of schools, and hundreds of houses. The Executive has once again put on display a painful portrait of a Nicaragua that has been pillaged.

Children who play with a pinata go away happy. But the Nicaraguan people are left to gaze at the pieces of the shattered clay pot and the torn colored paper that are left strewn under the pinata.

Panama

Endara Denies Limits on Monetary Transactions

PA1409021191 Panama City Radio KW Continente in Spanish 1200 GMT 13 Sep 91

[Passages within quotation marks recorded]

[Text] We will help the Peruvian senators investigating the BCCI [Bank of Credit and Commerce International] scandal in Panama, although they have not helped us with the extradition of General Noriega's accomplices, says President Guillermo Endara.

The cabinet council has authorized President Guillermo Endara Galimy to submit the conflict between the EL Panama America, S.A. [EPASA] publishing company and the National Bank to arbitration.

[Endara] "The next step is to find out what EPASA thinks and wants. I hope I am not mistaken and that EPASA will agree. We would then initiate negotiations to establish the rules of arbitration. Arbitration rules are very common, and I do not think that there should be a problem in satisfying both sides. The procedures agreed upon will be followed. Something else may be agreed upon, but the normal procedure is for the government to choose an arbiter, EPASA to choose another arbiter, and then for these two arbiters to choose a third arbiter who is called the mediator [dirimente]."

Any Panamanian or foreigner can conduct the monetary transactions he wants to in our country without restrictions, President Endara said, contrary to the statements of Attorney General Rogelio Cruz.

[Endara] "A fundamental principle of our economy is the restriction-free transference of capitals. Any citizen or foreigner can bring money into Panama free of restrictions, in absolute freedom. Anyone who wants to take his money out of the country can also do so."

President Endara said he will not hinder the investigations that the Peruvian senators are conducting in Panama on the BCCI scandal, although Peru has not responded to Panama's extradition requests for the collaborators of former President General Manuel Antonio Noriega.

[Endara] "The injustices perpetrated against Panama will not necessarily make us perpetrate injustices against a brother. I know this will prove unacceptable among certain sectors that believe in the law of the talon: an eye for an eye and a tooth for a tooth. However, I am a Christian and must rise above the law of the talon.

"I do not know exactly what assistance these senators are receiving. I have been unable to meet with them but, since they must conduct an investigation, I have directed them to the Banking Commission and the banking authorities, which are the only sectors that can work with them. I also referred them to the jurisdictional body at the Attorney General's Office. Therefore, it is up to the Banking Commission, banking authorities, and Attorney General's Office to decide whether or not they will assist the senators."

I will not reinstate Elsy Batista de McKay because she insulted the chief executive, President Endara said.

[Endara] "Elsy de McKay was not fired because she supports a particular candidate, a candidate whom I like as well. However, her support of that candidacy does not give her the right to insult the chief executive, being as she is, a public relationist. I will not reinstate her."

The president concluded that the offer made to the teachers is reasonable. He said it is obvious that the teachers are looking for trouble.

[Endara] "It is a very reasonable offer. Of the 15 months of bonus payments, we are going to pay six. The remaining nine will be incorporated into the budget. I truly believe this proposal should have been accepted but it is obvious that the teachers are looking for trouble. They are not willing to do their part in this titanic struggle to rebuild Panama."

Businessmen Criticize Cruz for Cash Requirement

PA1409202291 Panama City EL PANAMA AMERICA in Spanish 14 Sep 91 p 1A

[Report by Julia Elena Alvear]

[Text] Private associations and unions will file a suit against Attorney General Rogelio Cruz on the grounds that he has no authority to compel foreign visitors to state the amount of cash they bring to Panama.

Ricardo Aleman, president of the Panama Chamber of Commerce and Industries, reported that he has instructed his lawyers to study this order. With the same purpose in mind, several private unions have been contacted, particularly the Association of Colon Free Zone Concession Holders, as well as the tourist sector.

In a note addressed to General Customs Director Rodrigo Arosemena, Cruz instructed him to "request additional information from every person who brings more than $10,000 to the country."

Aleman, who described Cruz and Arosemena as "DEA employees," pointed out that the measure, taken without consulting the local businessmen, has discouraged investors and thousands of customers who come to the Free Zone every day to buy.

"We are all committed to make the country a decent place and combat money laundering, but apparently people are being presumed guilty until they are proven innocent. Everyone arriving with more than $10,000 in cash is regarded as a criminal," Aleman said.

Peruvian Senators Investigate Missing Funds

PA1409015391 Panama City EL SIGLO in Spanish 13 Sep 91 p 18

[Article by Yali Enrique Pitti]

[Text] The Peruvian senators, who are visiting Panama to gather information related to the whereabouts of more than $270 million belonging to the Peruvian state, have come up against a "complete silence and lack of cooperation from the national authorities."

This information was provided to EL SIGLO by several Christian Democratic Party [PDC] and Revolutionary Democratic Party [PRD] legislators who stated that the Peruvian senators were not properly received by President Guillermo Endara. They said they had been given unreliable information related to millions of dollars deposited by former Peruvian Government officials in the Bank of Credit and Commerce International [BCCI] branch in Panama.

These legislators also said that the secrecy and the "mysterious" handling of all matters related to the BCCI operations in Panama not only indicates that there are "hidden interests", but also causes various sectors to conclude that "officials of the current administration could be involved in the banking scandal."

According to the legislators, the Peruvian request to have the Panamanian Government lift the banking secrecy restrictions over some "key" accounts, such as the so-called "Black Jungle and Terra Firma" [Selva Negra y Tierra Firme] where more than $3 million could be hidden, have so far been unsuccessful. These are funds received by former officials of the Alan Garcia administration as a payoff in order to deposit more than $270 million in the BCCI.

The legislators who were consulted by EL SIGLO believe that the Peruvian delegation may leave Panama without having received any answers that could help clarify the ties between officials of the Alan Garcia government and the "Panamanian connection" related to frauds committed by the BCCI.

One of the legislators interviewed stated that the Peruvian senators are being treated like ping-pong balls. He said they have been climbing walls without receiving any answers related to the whereabouts of the millions of dollars deposited with the BCCI.

According to the legislators, the Peruvian senators Miguel Vega and Jorge Lozada Stambury, as well as Peruvian Parliament judicial adviser Carlos Zamorano, will never discover all the facts related to the Panamanian connection with the millions deposited in the BCCI by former officials of the Alan Garcia administration.

On the other hand, EL SIGLO was able to learn that the Peruvian senators met with Presidency Minister Julio Harris on 12 September. Upon learning that the reasons behind their visit to Panama was to request information related to BCCI operations, Minister Harris stated that in Panama there is a separation of powers and that such a case would be the responsibility of the Office of the Attorney General.

However, before the arrival of the Peruvian delegation, Attorney General Rogelio Cruz stated to the media that in order to investigate cases such as the BCCI, it would not be necessary to lift banking secrecy restrictions because banking secrets "automaticaly do not exist" in Panama.

On the other hand, in their search to obtain information that will help clarify the payoffs made to Peruvian officials and the deposits made to BCCI, the Peruvian delegation visited the National Assembly, where they were offered all the necessary cooperation. The National Assembly recently appointed an ad hoc commission to investigate the BCCI scandal. The commission is formed by legislators Alonso Villarreal, Leo Gonzalez, Miguel Cardenas, Guillermo Cochez, Gabriel Arosemena, Alberto Aleman Boyd, Rolando Martinelli, Alberto Cigarrista, and Miguel Bush.

Arias Criticizes Government, IFIS Negotiations

PA1409202091 Panama City EL PANAMA AMERICA in Spanish 14 Sep 91 p 1A

[Article by Orlando Mendieta C.]

[Text] Vice President Dr. Ricardo Arias Calderon has stated that the national government is negotiating an agreement with the international financial institutions (IFIS) behind the backs of the Panamanian people. The agreement will force the government to fire more than 22,000 public employees, freeze minimum wages, and tax all imported goods.

According to Dr. Arias Calderon, he has been able to learn, through unofficial sources, that the negotiations are currently centered, most of all, on the three demands of the financial institutions.

Arias Calderon, who is also president of the Christian Democratic Party [PDC], explained that the IFIS underscore the firing of 22,500 public employees because it will not accept a decrease in the total amount of funds spent on the government payroll.

He added that the mechanism suggested the firing of public employees according to the following agenda: 2,500 before 31 December 1991; 10,000 in 1992, before the first disbursement; and another 10,000 in 1993, before the second disbursement.

Arias Calderon pointed out that the second IFIS requirement to the Guillermo Endara government entails freezing minimum wages at its present level.

The third demand consists of applying a tax to all imported goods, including machinery and raw material. The tax would start at 5 percent and would be increased to 7.5 percent during the following years.

According to the PDC president, considering such drastic conditions, the government should keep in mind that it cannot abruptly, without consultation, compromise the country. If this is the case, then the national reaction will be intensely negative with counterproductive social and economic results.

To Arias Calderon, in a democracy it is not possible to arrange financial obligations without considering public opinion, and economic activity can only be stimulated by winning the support of the people, and by being open.

In this sense, he added that the time has come for the government to tell the country the truth about the negotiations with the IFIS.

Calderon concluded by stating that if these drastic measures are adopted, we will be heading toward a greater social and economic decay of Panama at a time when what is required is consensus to forge ahead.

Approximately two weeks ago Guillermo Ford, second vice president and minister of planning and economic development, left for Washington to wrap up the details with the IFIS and return to Panama with a signed agreement that would put an economic development plan for Panama into practice.

Bank Board Reports Problems to President

PA1409043191 Panama City EL PANAMA AMERICA in Spanish 13 Sep 91 p 1

[Letter from National Bank of Panama Board of Directors to President Guillermo Endara, Panama City; date not given.]

[Text] Dear Mr. President: We address this letter to you to brief you on the problem that the National Bank of Panama Board of Directors is experiencing in carrying out its duties. We, the undersigned, hold this position as a result of your honorable appointment which we accepted, conscious of the heavy responsibility it entails. After several months—during which we handled difficult situations—we reached the conclusion that this heavy responsibility is not supported by the necessary and corresponding authority.

It is a fact that the amendments made by the National Bank's Organic Law during the military regime in 1974 granted the bank's general manager the power to veto the Board of Directors' decisions. Because of these amendments, the board's resolutions must count on the general manger's approval. In this regard, we would like to report to you on events that have take place regarding the EL PANAMA AMERICA case in which we lack the necessary authority for the general management to accept the Board of Directors' decisions. As you know, Editora Panama America S.A. [EPASA] has requested the liberation of several of its properties that had been mortgaged by the bank as a guarantee for a $1.9 million loan that Editora Renovacion S.A. (ERSA) owes the Bank. We feel that the aforementioned properties should be liberated having reached an agreement with EPASA whereby they would pay the bank an amount that includes the following:

1. $460,000 that EPASA owed Chase Manhattan Bank when it was stripped of its assets by the military regime. This debt was subsequently canceled by loans granted by the National Bank of Panama.

2. Interests on that amount as of January 1990 when EPASA recovered its seized properties.

3. Rent for the use of ERSA printing equipment that EPASA is currently using.

4. The amount corresponding to the value of the permanent improvements constructed by ERSA [on the seized installations].

After extensive legal advice and consultation as well as considerable debates, we came to the conclusion that it is not right to demand EPASA to pay the loans that the bank lent to ERSA, as these were not used for EPASA's benefit. The Supreme Court of Justice agreed with this in

its ruling issued on 3 August 1990; the ruling invalidates the action taken against EPASA. After adding up the amounts corresponding to the above mentioned points, the Board of Directors agreed on a $740,000 sum to be negotiated with EPASA. During a motion unanimously approved on 17 July, we asked the bank's general manager to negotiate with EPASA for the payment of that sum.

Citing the legal power we referred to at the beginning of this letter, General Manager Luis H. Moreno rejected the Board of Directors' decision, arguing that it was not acceptable banking practice to liberate guarantees by accepting only a reduced amount of ERSA's debt. In this regard, the general manager believes that EPASA should pay an amount greater than what we had agreed upon.

We want to inform you that during the negotiations that are underway EPASA offered to pay $550,000, an amount covering several of the aforementioned points. We will once again request the administration to reach an agreement with EPASA, in accordance with the guidelines approved by the Board of Directors.

The general manager's conduct in the EPASA case clearly demonstrates the urgent need to amend the aforementioned aspects of the Bank's Organic Law. In legal terms, this creates a dangerous and unheard of situation. On the one hand, the National Bank Manager does not answer to the Board of Directors—as should be the case in every organization—and on the other hand, he does not answer to the president of the Republic, as the law provides for this institution's autonomy. You certainly understand that it is extremely dangerous for the National Bank, which handles all of the Panamanian Government's money, to be managed by a person who is under no one's authority. This legal contradiction was implemented when the military regime wanted to avoid having the Board of Directors' legal authority become an obstacle to their plans.

We also want you to know that we have proposed to the bank's general manager to accept the Board of Directors' authority until the law is amended. Unfortunately, the bank manager has not accepted our request. Faced with this situation, we feel the reforms of the Bank's Organic Law cannot be postponed any longer. These reforms are not only to correct the aforementioned deficiencies, but also to bring this legal document up to date in light of the large losses sustained by the bank due to fraudulent or irregular management and in light of the legitimate duties that this state bank should assume in Panama today. We will start preparing shortly a draft bill based on the necessary consultations and will obtain all the necessary legal and technical advice. We assure you, we make an all-out effort to responsibly fulfill the tasks you have assigned to us.

[Sigend] Sincerely, Juan G. Ameglio, President; Pierre G. Leignadier, Vice President; Ricardo J. Aleman A., Director; Luis Dutari, Director; and Carlos Valencia A., Director.

cc: Luis H. Moreno, General Manager.

Assembly's Canal Affairs Commission Installed

PA1309200091 Panama City Radio KW Continente in Spanish 1200 GMT 13 Sep 91

[Report by Alejandra Ciniglio]

[Text] The Legislative Assembly's Canal Affairs Commission, chaired by legislator Alonso Fernandez, was formally installed on the afternoon of 12 September. During his speech, Fernandez pointed out the importance of the commission and the tasks that lie ahead.

[Begin Fernandez recording] The Canal Commission is very important for the future of the Republic and I have been entrusted with its presidency. I am asking each of you, who represent the Legislative Assembly's leading political parties, for your cooperation. We will be working for the good of Panama and not for the political parties. I believe that with your help we can open our discussion of canal affairs.

I believe that in guiding the future of the Republic, we are going to get along as friends and brothers. The canal, in reality, is Panama's leading industry. [end recording]

Meanwhile, legislator Carlos Arellano Lennox, who is a member of the commission, discussed the ways in which political differences influence the legislature's commissions.

[Begin Arellano Lennox recording] A legislator must look beyond political differences. The fatherland is above such differences and so, especially, is a matter as important as the canal. I have maintained my complaint. I find it very interesting that the presidency of such an important commission has been placed in the hands of individuals who have been charged with overstepping their duties, as in the case of the current chairman and legislator Leo Gonzalez.

Nevertheless, if five of the nine legislators decided to vote for them, we must respect that decision. I must, however, express my concerns, which will not prevent the success of any arrangement favorable to our country and people, regardless of the personal reservations that I may have. [end recording]

To conclude, Arellano Lennox pointed out the leading tasks assigned to the Canal Affairs Commission.

[Begin recording] One of the issues we must discuss is how to create a regulating body. Canal issues have been too widely dispersed among all of the ministries. The Foreign Ministry has a part; the Planning Ministry has another; the Finance Ministry has another; the Housing Ministry has another. The list goes on. This must not continue.

Another thing I would say is that we should also pay a little attention to how the reverted areas are used. We cannot continue depending on the Americans. [end recording]

Commentary Compares, Contrasts Endara, Noriega

PA1409140091 Panama City EL DIARIO INDEPENDIENTE in Spanish 13 Sep 91 p 4

[Final of five part editorial: "Endara and Noriega" For parts one through four see the Panama section of the Latin America DAILY REPORT dated 13 September p 15.]

[Text] In this series of editorials entitled "Endara and Noriega," commentaries which we conclude today, we have tried to depict the sociopolitical parallelism and the predestination between two of the most conspicuous personalities of national life. One of them is a civilian and the other is a military officer; both joined by the chance of fatalism, which places them at the vortex of an important crossroads in national history.

Noriega a son of poverty, a schemer, selfish, insecure, frustrated, a megalomaniac, and treacherous. Endara of wealthy origin, composed, gullible, inexperienced, merciful, and without the leadership ability and the vocation of command, which is so indispensable to govern a country successfully.

Two men, two milestones, two situations extrapolated and omnipresent in the political transition from a dictatorship to a regime of public freedom. The two inevitably tied to the interests of our imperial partner, a colossus that does not yet understand that its creature has matured, that it wants to have its own life and determine its future with honor and national dignity.

A common denominator links Endara and Noriega; it makes them swing around the same centennial pendulum of our republican annals. Both being measured by the degree of submission that they are capable of showing toward the generous partner of the north, or their willingness to sacrifice for the fatherland. One of them gave up the sacrifice to save his skin and riches, while we are still hopeful that the other one will change direction and give meaning to the doctrine that his master—the unforgettable Panamenist political leader [three-time President Dr. Arnulfo Arias Madrid]—courageously promoted.

Noriega, like Judas did, played a double game for a few coins. Endara is pressured by the complex circumstances that make U.S. aid an obstacle that cannot be overcome to get the country afloat.

The actions of Endara, the democrat; and Noriega, the tyrant, will mark the eternal direction of the future of our fatherland.

Noriega lacked morals to face his masters and employers. Way deep inside, he never had the greatness to sacrifice for the fatherland and no one ever believed his anti-American farce. Endara has stated that he will not be intimidated by the DEA, and probably the arrogant executioners have put him on their black list.

The North Americans will not give up their "manifest destiny" over Panama and they will try to manipulate the country through Endara. The personalities, as well as the circumstances, are now different. Panamanians have learned to differentiate between black and white, or between good and evil. Our president must be aware of the fact that the game with the United States is a dangerous one and that what happened to Noriega could also happen to him, or even worse.

Head of Community Development Office Dismissed

PA1409212091 Panama City LA PRENSA in Spanish 14 Sep 91 p 1

[Report by Jose Quintero De Leon]

[Text] Professor Hector Penalba was dismissed yesterday from his post as director general of the General Directorate of Community Development [DIGEDECOM], a post he held for only five months. Reliable sources have attributed Penalba's removal to his reiterated and strong criticism of the government of President Endara. Penalba's critical remarks have been made through the media.

LA PRENSA has tried to establish telephone contact with Penalba to obtain more information, but this has not been possible because, according to people at his residence, he is in the country's interior.

In recent weeks, Penalba, who is acting secretary general of the Arnulfist Party, and who in 1984 was nominated by the Authentic Panamenist Party to run for mayor of Panama City, has emerged as a possible candidate for the presidency of the Arnulfist Party at the party convention to be held on 29 September in Penonome.

The veteran Arnulfist leader has criticized what he believes are government errors. He has pointed to the disappointment of broad Arnulfist sectors who believe that their requests of the government have not been satisfied despite the sacrifices they have made in favor of the party for years.

Penalba has also strongly criticized some sectors of the executive branch that are in favor of eliminating DIGEDECOM, an institution that some view as without function and that is not included in plans being negotiated with international financial institutions, but an institution in which Penalba has given employment to hundreds of Arnulfists.

Penalba has also complained that the current government does not function in a coherent fashion and has said that he is in favor of a change of cabinet to include party people capable of improving the Endara administration.

Recently, after President Endara announced that he has no aspiration to be his party's president, Penalba said that he is ready to offer himself as a candidate for that post. Penalba noted that he is prepared to run against Mireya Moscoso de Gruber, the widow of the founder of the party and a woman who has much support.

Last night, during a meeting that Arnulfist conventioneers held at the residence of a provincial leader, Arcesio Adames, in San Miguelito District, Mrs. Moscoso de Gruber finally decided to break her silence and to publicly announce her intention to run for the presidency of the Arnulfist Party.

Mrs. Moscoso de Gruber, who was the wife of President Arnulfo Arias Madrid until his death, had discreetly kept secret her intention but now, only 15 days from the convention, she has openly stated her desire to direct the party founded by the man who served as president of Panama three times.

Endara 'Ashamed' of Panamenist Party Rift

PA1409035491 Panama City CRITICA LIBRE in Spanish 13 Sep 91 p 2

[Report by Justino Gonzalez J.]

[Text] President Guillermo Endara said yesterday that he is ashamed of the Panamenist Party rift and called for the formation of a unity slate for electing the party leadership at the forthcoming convention.

Endara said that different slates do not help the cause of the party and noted that, as long as there are trends presenting slates, he will remain neutral in accomplishing his objective.

President Endara avoided commenting on who, among all the Arnulfists who are candidates for nomination to leadership posts, should be listed on the unity slate. He said the slate that wins the party leadership must be representative of all the groups and trends within the party.

Some of the people who would like to lead the party are Mrs. Mireya Moscoso de Gruber, Francisco Artola, and Hector Penalba.

The president has declined an offer for nomination to his party presidency because such a position would not contribute to his objective of creating a public image capable of guaranteeing clean and honest elections in 1994.

National Civic Crusade Issues Communique

PA1309162191 Panama City EL SIGLO in Spanish 11 Sep 91 p 32

[Communique issued by the National Civic Crusade, CCN, in Panama City on 10 September]

[Text] Given the political adjustments resulting from the election of the new Board of Directors of the Legislative Assembly, our organization—committed to the most clear and deep civic ideals, as well as the consolidation of the democratic process—wishes to state its position regarding its actions to meet part of the expectations that gave rise to the struggle of the Panamanian people, unified in the National Civic Crusade [CCN].

1. We emphatically expressed our opposition to the attempts that were made at the Legislative Assembly to place the interests of political parties before those of the fatherland. We supported the election of young elements who promised effective answers, given the failure of the traditional politicians.

2. The final election has revealed a dangerous lack of cohesion on the part of the Executive Branch, highlighting the importance of the legislative majority and former members of the initial ADOC [Civic Democratic Opposition Alliance], who are now in the opposition, in the face of the division and disputes at the progovernment legislative wing.

3. This situation of weakness leaves the Executive Branch with very few alternatives for political maneuvering, among which we observe the following:

A. The restructuring of the initial ADOC by eliminating the mistakes that have been made and strengthening, based on mutual respect, the bonds of union of all parties, which was ordered by the people to achieve the objectives outlined in the civic struggle. It is an ideal position which is regrettably not shared by the pro-CCN parties.

B. The attainment of political agreements with the corrupt PRD [Democratic Revolutionary Party], beginning with the recent dismissals of honorable citizens from important public and legislative positions to be replaced by figures who in the past were opposed to the democratic forces of the country. We would see this as an act of betrayal to our struggle and it would place us in open opposition.

C. The dissolution of the current Legislative Assembly, with questionable legal arguments, and the call for a Constituent Assembly, whose configuration and duties would last just until before the 1994 elections, governing with the PRD and those other political elements who decide to join them. This move could cause a violent reaction and take us to a civil confrontation, as well as the destruction of our democratic accomplishments.

D. Not to make any adjustments in the Executive Branch, as usual, and govern the country through improvisation, which represents a cordial invitation to coups d'etat that would take us back to 1968. An unequivocal sign of this position is represented by the increasing arms race at the Presidency.

While the Executive Branch establishes what action it will take, we have decided to back the work of the new

Board of Directors of the Legislative Assembly, as long as they respect their promise to effectively and promptly attend to unresolved national problems, which were mentioned at the opening speech of the new assembly president.

The participation of citizens in the affairs of the state is a civic responsibility that no Panamanian should avoid, as long as the motives of this participation are separated from party politics, political spaces, and any interests other than serving the community. Therefore, we call on Panamanians throughout the country to become active and join the regional chapters of the CCN so that they can provide suggestions that could resolve their expectations.

Panama, 10 September 1991, Executive Committee of the CCN
[Signed] Alberto Conte, Coordinator

Minister Confirms Cholera in Darien Province

PA1409142691 Panama City Circuito RPC Television in Spanish 2300 GMT 13 Sep 91

[Text] Confirming a last-minute report aired by RPC Television last night, Health Minister Guillermo Rolla Pimental minutes ago during a news conference announced the arrival of cholera in Panama.

[Begin Rolla recording] Preliminary laboratory reports allow us to make the following diagnosis: The samples taken from patients in Darien Province indicate vibrio cholerae, that is, cholera.

Epidemiologic report: In the Pinogana area along the Tuira Chico River. Clinical report: There are 15 patients who show symptoms that lead us to believe they have cholera. Two of them are confirmed as having the disease; three were hospitalized, are in good health, and could be released tomorrow. One of them died, not so much from cholera—although he did have cholera—but of complications because this patient was taking medication and was asthmatic. However, I repeat, he did have cholera.

Our main problem is environmental health. We have adopted local measures including the testing of samples of all food leaving that area, which will be banned or subjected to quarantine and the respective sanitary customs measures. We will also adopt nationwide preventive measures among vendors of food, especially the uncooked sort, including fruit juice, ceviche [dish made with raw fish], and so on.

We ask all workers to cooperate because we do not want to take away anyone's job, but we must protect the health of the entire population. We also ask those who use water in their work, such as car washers and gardeners, to cooperate.

Above all, we are involved in an education campaign in which the media plays a central role. The slogan is: Wash your hands and boil and chlorinate water. Panamanians: Your commitment is to not contaminate water. Our Choco, Guaymi, and Kuna friends and brothers, please, do not contaminate water. To all Panamanians I say: Do not defecate in or clean yourselves with water of rivers and streams. [end recording]

Argentina

Menem Views Elections Mandate, Mercosur

PY1609022891 Buenos Aires BUENOS AIRES HERALD in English 15 Sep 91 115th Anniversary Supplement p 2

[Interview with President Carlos Menem by Michael Soltys and Nicholas Tozer at the Olivos presidential residence on 13 September]

[Text] BUENOS AIRES HERALD: There can be no doubt that you received a mandate last Sunday [8 September] nor that the economy had a lot to do with the results. To what extent do you feel endorsed in other decisions taken: for example, relations with the United Kingdom and the United States, participation in the Gulf War, the pardon, the expansion of the Supreme Court, etc.?

Carlos Menem: I think that on September 8 and before that on August 11 the government did not just receive a vote for what it was doing in the economic field. You cannot compartmentalize the action of a government. There was a ratification of and a consensus about all the aspects to which the question refers—relations with the United Kingdom, the dispatch of ships to the Gulf, the renewal of diplomatic relations with South Africa, the reaction to the crisis in the Soviet Union—we were the first country in Latin America to recognize the Baltic republics, as we were with the Gulf ships—and the economy as well, of course.

It (the election result) revolved around three fundamental pillars which I stressed on the same day I took over government—state reform with all the process of privatization, a popular market economy transferring political freedom to the economic field and an energetic, decisive and frontal attack on the fiscal deficit, government spending and the evasion of taxation and pension fund contributions. These have been the pillars of the areas in which we have moved with great energy and also many problems but there was no other way for Argentina, taking into account that we received a country in chaos and on the verge of civil war.

Therefore on August 11 and September 8 the people said: "That's what we want" and voted for the government, not just for the economy. It was fundamentally the political handling of all the problems to which you referred.

BAH: How would you define the extent of your mandate in future?

CM: For as long as we continue doing things well and carrying through these measures. The day in which we make mistakes or slacken off is the day in which we will have some problems. For that reason I told all my ministers at 9am on the morning of September 9 when we had a Cabinet meeting that anybody who did not want to follow this course or who showed any signs of weakness would have to go at once. This will last for at least as long as I am the head of government. You can be sure that will be six years. This process will be carried further without any wavering in any area of public administration. We're also going to require the provinces to tailor their administrations to what the national government is doing.

BAH: And would your mandate extend, for example, the death penalty?

CM: My mandate includes the reforms and legislation which the people want. I could be thinking of the death penalty but I do not have the power to introduce it. I could send a bill to Congress and parliament will give a final yes or no. This is not a dictatorship or a tyranny. There are many Argentines who believe that capital punishment is necessary for abhorrent crimes and I rank myself among them while others say no. I have a deeply religious notion of life, I am very Catholic but when human beasts kidnap and kill a person or when individuals who know no restraint grab a young girl and rape her to death, I don't think such people deserve to live even in a cell. That's my view, which does not mean I can impose it. It's Congress which will have to define this situation. My mandate includes the possibility of reforming legislation but always with congressional participation. I cannot impose the death penalty by decree—it would have no point because it would be impossible.

I would like to refer to drug-traffickers in this context, the masterminds of drug-trafficking organizations. I believe that at the moment humanity is suffering a genocide worse than that inflicted by Hitler because of drug-trafficking. The roots of our current civilization are being destroyed. They are destroying mankind as from infancy—it's an open secret that they distribute marijuana and drugs in primary schools. And that's a crime, a crime of lese humanite. If these individuals do not deserve the death penalty, they'll end up killing humanity through drugs.

Hitler killed six million Jews, which must be condemned. The Israeli security forces continue seeking war criminals and that's fine—I'd hand them all over right away if they were here—but you have to look for this other kind of criminal because they're not just killing six million, they're killing many more, they're destroying mankind as such. Fine, you can put them in prison but they continue running their organizations from there—or do you think that Al Capone did not run his Mafia as he liked from his prison cell?

BAH: What are the key areas for the next two years?

CM: Education, public health, justice, security and international relations. In the latter we are doing fine; in the first average. Why? Because of the chaos in Argentina and because of the state which should have specifically looked after them dedicated itself to other functions which do not correspond to its nature. As a result it ended up doing neither one thing nor the other well. The

state converted itself into a mammoth patronage organization full of privileges and it literally went broke. We have therefore summoned the creditors, consolidated the debt with bonds and started a process of economic recovery. Without neglecting the economic question, which is basic—if we do not generate wealth, we cannot attend to health, education, justice or security—the above are the issues which most concern me for the next two years.

BAH: Returning to external relations, Mercosur [Common Market of the South] for now contains four countries. When do you see the point of transition between regional integration within the framework of Mercosur and President George Bush's Enterprise for the Americas Initiative or continental integration?

CM: It's already been made. Argentina has signed an agreement with the United States. The four foreign ministers of the Mercosur countries—Argentina, Brazil, Paraguay and Uruguay—have already signed in the United States the "four plus one" treaty. Thus the process of contacts for "integration on top of integration" is already on the way—i.e. the process of integration within Mercosur and free trade with the rest of Latin America on the basis of the Bush proposal. Now the Andean Pact will have to do this and then Central America. And on the other end of the continent the free zone between the United States, Mexico and Canada is progressing. We're moving in that direction and have signed an agreement with the United States with other Latin American presidents. That at least is the dialogue I had with (US) President (George) Bush. We told Bush that we find it more convenient to make this kind of agreement and negotiate this free trade zone proposal with regions and not each country in particular. That's how we're tackling it.

BAH: Thank you very much.

Economy Minister Submits 1992 Budget to Congress

PY1409215491 Buenos Aires TELAM in Spanish 2141 GMT 13 Sep 91

[Text] Buenos Aires, 13 Sep (TELAM)—After delivering to Congress a bill containing the national budget for next year, Economy Minister Domingo Cavallo said today that in 1992 Argentina "will begin to live in a context of economic growth." He believes that the yearly inflation rate "might be slightly higher than one digit."

After delivering a technical report to the deputies of the Budget and Finance Committee, chaired by Justicialist Deputy Jorge Matzkin, on the general guidelines of the so-called "law of laws," the minister told journalists: "This budget will serve to consolidate stability and begin with growth."

Cavallo presented himself this afternoon at the committee's offices and delivered the state expenditures estimate for the 1992 fiscal year, thus complying with the deadline provided for by the national Constitution for this procedure, which, in the past 50 years, was only observed in 1949 and 1950 during Juan Peron's first presidential term and in 1965 when Arturo Illia was president.

The 1992 budget has been calculated in pesos, in keeping with the upcoming monetary change, and with a convertibility rate of a one-to-one par value to the dollar. In the 1992 budget, income totals $17.452 billion and expenditures total $18.022 billion. Therefore, $569 million must be financed.

The minister indicated that a 6.5 percent gross domestic product increase is predicted. He noted that federal government resources for the provinces will be increased by $2.215 billion in comparison to those budgeted for this year. Cavallo said the bill provides for the financing of the energy projects of Piedra de Aguila, Atucha 2, and Yacyreta.

In response to a question on the inflation rate expected next year, Cavallo avoided making an accurate prediction, but pointed out that it could reach a level "similar to that of countries with stable economies" and said it could be slightly more than one digit.

Cavallo said that if this is the case, "it would be compatible with what happened in countries like Italy and Spain during the initial stages of their programs for stability and integration into the world."

The minister added that the bill was drawn up on the basis of "a total budget balance." He said that in 1992 "there will not be any domestic or foreign loan application that will involve a public debt increase. Therefore, reserves will increase."

President Carlos Menem had announced that this week the national executive branch would submit the budget for next year to Congress, complying with a constitutional provision that requires the submission of this bill to the Chamber of Deputies before 15 September of the previous fiscal year.

Since 1908, only five budgets have been presented to Congress on time, and this is the first time that this has happened since the congressional branches resumed their activities in late 1983.

Sees $569 Million Deficit

PY1609024091 Buenos Aires BUENOS AIRES HERALD in English 14 Sep 91 p 1

[Text] (DYN)—The 1992 budget presented yesterday before the Lower House of Congress foresees an annual GDP [gross domestic product] growth rate of 6.5 percent and a 10 percent annual inflation rate. The budget, presented by Economy Minister Domingo Cavallo, foresees a 569 million-dollar deficit.

Government revenues will total 17,452 million dollars, whereas expenditure is estimated at 18,022 million. Public sector spending will rise 0.71 percent of GDP.

The increase will finance energy projects such as Atucha II, Yacyreta and Piedra del Aguila, Cavallo said.

Education and health will be transferred to the provinces in exchange for an increase in provincial revenue sharing funds. These will total 4,300 million dollars.

The budget allows limited investments of 903 million dollars in housing projects, 108.7 million in education and the completion of the National Library. A revenue of 1,330 million dollars will be produced by the privatization of Gas del Estado.

YPF Begins Laying Off Supporters of Strike

PY1509223091 Buenos Aires BUENOS AIRES HERALD in English 15 Sep 91 pp 1, 17

[Text] (DYN-NA)—State-owned oil company YPF [Government Oil Deposits] yesterday sent 60 dismissal telegrams to workers who supported a 24-hour strike declared illegal by the Labour Ministry. Labour sources estimated that some 3,000 more workers will be laid off. However, State Oil Workers' Union (SUPE) press secretary Julio Nicolosi denied that the union would respond with a protest measure.

In a press conference held last night in the SUPE headquarters on Rivadavia Ave, Nicolosi announced the union's decision to suspend negotiations until tomorrow, following a meeting held between the SUPE General Secretary Diego Ibanez, President Carlos Menem and Economy Minister Domingo Cavallo.

After denying that the legal status of the union is in jeopardy, Nicolosi assured new developments tomorrow and said the "impasse" was caused by SUPE on a "recommendation" from the president to his "personal friend" Diego Ibanez.

"The words of the president will suffice until Monday [16 September]," said Nicolosi, emphatically denying that his union was considering taking concrete action against the dismissals.

Nicolosi stressed that the only measure taken by the government was to declare the 24-hour strike "illegal," thus laying to rest rumours suggesting that SUPE faces the risk of being stripped of its legal status or having it suspended.

In a report released to the press earlier yesterday, YPF announced that "all employees who backed the protest measure have been dismissed in accordance with the law," although it did not say just how many had been fired.

Meanwhile, SUPE General Secretary in Mendoza province, Mario Sanchez, admitted last night that the strike was not backed by union members, because "there was too much pressure from the YPF authorities."

The communique, signed by YPF Human Resources and General Security Vice-President Raul Oreste, clarified that "contrary to versions published yesterday by certain newspapers in the capital and the interior, the general strike called by SUPE and declared illegal by the Labour Ministry has been supported by only 15 percent of our employees across the country."

Sanchez claimed that once the threat of dismissal was made by the Labour Ministry, "we tried to tell workers about the news, but the YPF security personnel wouldn't let us enter the workplaces."

Meanwhile, the YPF press release stated that "pumping, distilization, supply and delivery of fuel proceeded as normal," and stressed "the importance of the attitude of the personnel who carried out their duties as usual."

YPF authorities also released from their central offices, located on Diagonal Norte 777 in this city, details related to forthcoming lay-off notifications, YPF spokesmen said.

The protest measure, which was led by SUPE veteran leader Diego Ibanez, had been declared illegal on Friday night by the Labour Ministry.

That qualification of the strike eased for YPF authorities the initiation of legal actions against SUPE and the penalization of strikers.

In other labour news, workers affiliated with the defence production branch of the State Workers Union (ATE) plan to carry out a 24-hour strike tomorrow in protest of the dismissal of 1,300 workers ordered by defence manufacturing authorities.

That decision was made during a union plenary, according to ATE Secretary-General Jorge Acedo and ATE Provincial Affairs Secretary Edgardo Depetri.

The labour leaders criticized the "cowardly attitude" of the defence production authorities "who laid off 1,300 workers in a totally illegal manner."

Reduced Sentences for Traffickers Announced

PY1609025091 Buenos Aires BUENOS AIRES HERALD in English 14 Sep 91 p 11

[Text] (DYN-NA)—President Carlos Menem publicly supported yesterday the candidacy of Antonio Cafiero for senator of Buenos Aires province in 1992, considering that the current governor of Buenos Aires would be an "excellent addition" to Congress.

At the same time, the President denied rumors of discontent in the Armed Forces and announced the government's intention of reforming the Criminal Code in order to reduce sentences handed down to drug-traffickers who agree to become court informers.

"It is our intention to incorporate into the criminal legislation the figure of "the repentant," a person who is willing to testify against those who make a living out of the infamous drug trade," said Menem.

In a press conference held during his visit to the Naval Military School of Rio Santiago, the president emphatically denied rumours of an eventual postponement of the elections in Catamarca and Santiago del Estero, which are scheduled for October 27.

In relation to the controversial referendum to install the death penalty in Argentina as a viable punishment for drug traffickers, rapists of minors and kidnappers who murder their victims, Menem stated that his own initiative would be suspended until 1993 because "there are more important issues to address."

Regarding Cafiero, the head of state said he spoke of the subject with Buenos Aires governor-elect Eduardo Duhalde, with whom he agreed upon "the necessity" of getting Cafiero into the Senate.

All chances of the current Buenos Aires governor becoming ambassador to Chile, as official spokesmen had said, have apparently vanished.

When questioned about the situation in the Army, whose high command met on Thursday [12 September] to discuss budget and salary issues, the president underlined that "there is no discontent whatsoever in the Armed Forces, neither are there any demands over wages."

The president went on to express his disapproval of various articles published in Buenos Aires newspapers yesterday, which reported on the menu served Thursday night at the Olivos residence to the newly elected Peronist governors.

Just hours beforehand, he had urged the population to cut back on their beef consumption in order to counteract the rising prices for that product.

In spite of cooks stating that the menu included sirloin steak, pork and empanadas, the head of state claimed that "we dined on pizza, empanadas and pork." He said to the journalists present: "It seems that you all are permanently mired in frivolity."

Menem Pardons Owners of Captured Spanish Boats

PY1409233091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1828 GMT 13 Sep 91

[Text] Naval Prefecture sources have reported that President Carlos Menem has pardoned the owners of the Spanish fishing boats caught fishing in Argentine territorial waters on 4 September.

The Villa de Mogor, Navegante, and Urabain were seen fishing in the neighborhood of San Jorge Gulf by Sea Fleet ships that escorted them to Puerto Madryn, Chubut Province, to conduct the respective pre-trial inquests.

The fishing boats were chased and intercepted by the Navy warships Spiro and Almirante Brown. According to leaks from diplomatic sources, they were [words indistinct] Prince Felipe of Spain in our country.

The companies owning the ships had to pay a substantial amount in dollars for carrying out activities in Argentine territorial waters, but that amount now has been pardoned.

Bolivia

U.S. Grants $9.2 Million for Antidrug Campaign

PY1309151891 La Paz Television Boliviana Network in Spanish 0200 GMT 13 Sep 91

[Excerpt] The U.S. and Bolivian Governments have signed an agreement worth $9.2 million to promote a campaign against drug abuse among youths over the next five years.

Foreign Minister Carlos Iturralde said that the campaign will be implemented by state-owned organizations and other drug prevention specialized institutions.

[Begin Iturralde recording] I want to point out that Bolivia and the United States have significantly strengthened bilateral cooperation. This is reflected in the important increase in the U.S. economic assistance to Bolivia since 1988, when the aid totalled $61 million. Today we note with satisfaction that the U.S. economic cooperation for the 1991 fiscal year totals $132 million. [end recording] [passage omitted]

Bermejo River Basin Accord With Argentina

PY1309231091 La Paz La Red Panamericana in Spanish 0000 GMT 13 Sep 91

[Text] Today the Bolivian and Argentine Governments signed an agreement for the exploitation of the hydraulic resources of the Bermejo River basin.

The documents were signed by Bolivian Foreign Minister Carlos Iturralde and Argentine Ambassador Juan Jose Uranga. The binational subcommission for the exploitation of the resources of the Bermejo River upper basin and the Grande River in Tarija was created after the signing of the agreements.

The subcommission is presided over by representatives of the two foreign ministries: the president of the Tarija Development Corporation, CODETAR, for Bolivia; and the Bermejo River Regional Commission, [acronym indistinct], for Argentina.

The subcommission's main duties are to gather information and the results of research on the possibility of exploiting the basins; to keep track of the projects to be developed, their feasibility, and their interrelation with [word indistinct]; to prepare the necessary paperwork for the participation in this sector of private investors; to establish the guidelines and necessary institutional

mechanisms to supervise and develop the projects; and the final supervision before the projects become operational.

Argentine and Bolivian cooperation in this field is designed to promote comprehensive development of the basins formed by the Bermejo River and the Grande River in Tarija, especially in the border area.

Research has been carried out regarding the [words indistinct] (Arasayal) on the Bermejo River and San Telmo and Astillero on the Grande River of Tarija. These projects, as well as others to be identified in the future, will prevent [words indistinct] to control the water flow, control (words indistinct], increase irrigation facilities, supply potable water, produce hydroelectric power, and improve navigation facilities.

Impact of Drop in Argentine Gas Prices Viewed

PY1409173291 La Paz La Red Panamericana in Spanish 0000 GMT 14 Sep 91

[Text] Minister of the Presidency Gustavo Fernandez has explained that the country's economy will not be seriously affected by the drop in income resulting from a reduction in the price of Bolivian natural gas sold to Argentina. Fernandez thus referred to the impact on Bolivia of the loss of some $100 million with implementation of the new gas sale contract in May 1992.

The new contract, which will make adjustments for deregularization of the Argentine market where prices are much lower than the current Bolivian gas price, will allegedly represent a significant reduction in income for the Bolivian Treasury.

The minister of the Presidency said that mentioning prices and quantities now would be premature because negotiations between the two governments will start during the meeting between the Bolivian and Argentine foreign ministers in Santa Cruz in late October. He also stated that the new gas sale contract would not be defined during this meeting but that guidelines for continuing technical and political negotiations in the next few months will be established.

Gustavo Fernandez admitted that, obviously, the negotiations must take into account deregularization of the Argentine market and the privatization process underway in that country. He said, however, that the political and historical aspects of our bilateral relations will also be taken into account in an attempt to reach an agreement that will be satisfactory to both countries.

Minister Fernandez said the Bolivian people must have confidence in the serious attitude with which the government confronts temporary problems and future economic problems.

He recalled that the executive branch has reached a new structural adjustment agreement with the IMF and multilateral organizations amounting to $300 million, which can be distributed freely. This money will be disbursed over the next three years and part of it may be used to cushion the effects of a possible reduction in income from sales of natural gas to Argentina. The minister also said that resources for public investments will not be affected either, because the government has already adopted the necessary measures.

Agreement on Eradication of Coca Plantations

PY1309190691 La Paz Television Boliviana Network in Spanish 0200 GMT 13 Sep 91

[Text] Some 7,000 hectares of coca plantations will be eradicated in 1991 in agreement with the peasants.

The provisions of Law 1,008 approve the payment of compensation to peasants who voluntarily eradicate coca crops and not for those who are forced to eradicate coca crops. The government currently has the necessary funds for this purpose.

Mauro Bertero, the agriculture, livestock, and campesino affairs minister, said:

[Begin recording] A new factor that has emerged over the past three or four months is that the decreed eradications are being carried out with the agreement of the peasant communities. As you and the national public opinion know, there were some problems two or three weeks ago in the Chapare region. These problems have been overcome through dialogue.

We are now working jointly with the peasant trade unions to eradicate coca plantations. This move will help to prevent any increase in coca production, with a commitment from the peasant trade unions of the Chapare region.

Another important commitment is that we, trade unions and government, will jointly eradicate 7,000 hectares this year as provided by Law 1,008. This move seeks to reduce coca production.

Third, this forced or compulsory eradication, as provided for by Law 1,008, will be carried out jointly, that is, with the agreement of the peasant trade unions.

Fourth, we will try to prevent violent encounters which could disturb the social peace in the Chapare region. [end recording]

Brazil

Striking Workers Ordered To Pump Natural Gas

PY1409153691 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 14 Sep 91

[Text] The Superior Labor Court has issued an order to immediately pump natural gas at plants in Salvador, Bahia State, and Santos, Sao Paulo State.

This is how Court President Guimaraes Falcao responded to a request made by the Federal Attorney's

Office, which was informed by Petrobras [Brazilian Petroleum Corporation] about the serious situation created by the oil workers strike. Petrobras said that if natural gas was not pumped in the next few days or hours, the people of Salvador and Sao Paulo would have no natural gas for cooking as of today.

The court order also calls on the union to release from the strike the workers necessary to refine 400,000 barrels of oil and its by-products every day and to distribute them until the court issues a ruling on the strike.

In Rio Grande do Sul, the Polo Petroquimico do Sul raw material plant in Triunfo, which is completely paralyzed, is losing $2 million a day. When all the machines were turned off, a fire broke out in one of the furnaces causing panic and the possibility of an explosion. Only the Gabriel Passos refinery in Betim, Minas Gerais State, is operating at full strength due to an agreement with the oil workers, who worked extra shifts to maintain special services. This refinery supplies part of Minas Gerais, Goias, and the Federal District.

Court President Falcao called on leaders of the striking oil workers to meet with Petrobras executives in Brasilia on 16 September. This will be the last effort to reach an agreement before the court issues a ruling.

Petrobras fired 36 striking oil workers from the Alemoa refinery in Sao Paulo because they trespassed on company installations to paralyze production. Even after a meeting was held with Alemoa refinery executives, the striking workers decided to continue occupying the installations. Petrobras also requested return of the installations through a court order. The same situation occurred at the Madre de Deus refinery in Salvador, where production is completely paralyzed.

Petrobras set a deadline for striking oil workers to leave company installations, but the installations are still occupied. Petrobras President Ernesto Texeira Weber, on announcing the dismissals, emphasized that due to the situation in the two refineries, there may be a shortage of natural gas in Salvador and Sao Paulo. He also explained that Petrobras is not importing oil because there is still plenty of stock available. Brazil is refining 1.36 million barrels of oil daily but because of the strike, production has dropped to 426,000 barrels daily.

Petrobras also reported that workers of the Gabriel Passos refinery in Betim, Minas Gerais, no longer support the strike.

Central Bank Workers Support Bank Strike

PY1409170091 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 14 Sep 91

[Text] The strike by bank workers has received the support of Central Bank employees. Bank workers are requesting a salary increase of 459 percent. The strike has paralyzed not only the Central Bank in Brasilia, but also its Belem and Recife branches.

The most serious incident since the beginning of the national strike occurred in Sao Paulo where four people were hospitalized. Violent clashes between strikers and military police turned a downtown Sao Paulo park into a battlefield. In Rio de Janeiro, the strike may delay salary payments for state public employees.

Support for the strike remains high among employees of the 25 Bank of Brazil branches in Belo Horizonte and Minas Gerais. The strike is partial in private banks and there is practically no strike in state government banking networks.

In Bahia, the strike is not affecting private banks. Only branches of the Bank of Brazil, the Federal Savings Bank, and the State Bank are closed. Two bank workers were arrested in Recife, Pernambuco State, in front of the Bank of Brazil. They were released after questioning.

Lafaiete Coutinho, chairman of the Bank of Brazil, said that the management has made no new salary proposal. He added that the proposal that has already been made will be accepted after bank workers review the bank's accounts.

[Begin Coutinho recording] This is the bank's proposal, which was rejected by bank workers. I am certain, however, that after they verify the bank's accounts, they will accept the proposal. [end recording]

The Bank of Brazil is offering a 106 percent salary increase over the basic salary to be paid in two installments, one in September and the other in November. The Bank of Brazil will show its accounts to a representative of the striking workers on orders from the Presidency of the Republic. The order was issued yesterday afternoon by acting President Itamar Franco.

Acting President Itamar Franco met with Lafaiete Coutinho and Federal Savings Bank President Alvaro Mendonca at Planalto Palace to discuss a solution to the bank workers strike. The meeting was also attended by Senator Mauricio Correa of the PDT [Democratic Worker's Party], and Deputy Augusto de Carvalho of the PCB [Brazilian Communist Party] from the Federal District who asked that negotiations be opened between management and workers.

Collor Emphasizes Need for National Agreement

PY1309141691 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Sep 91

[Report by Antonio Carlos Silva from Maputo, Mozambique]

[Text] President Fernando Collor has alerted the Brazilian people to the need to achieve a national agreement. He said: Either we unite in solidarity and deal with our difficulties, or the situation will deteriorate to such an extent that it will become unmanageable. He made

this remark after having dinner with President Joaquim Chissano during his visit to Maputo, capital of Mozambique.

Collor described a national agreement as essential for the implementation of structural reforms that would enable Brazil to return to the path of economic growth.

[Begin Collor recording] We already have many appointments for this weekend. We are scheduled to meet with several governors and leaders of political parties, seeking an agreement that would be as comprehensive as possible so that, through amendments and legal reforms, we can introduce the structural reforms needed in our country, reforms that will enable us to resume our economic growth and promote a better distribution of income and social justice, which is our ultimate objective. [end recording]

Collor plans to submit to Congress a draft constitutional amendment by 20 September. A meeting of the Council of the Republic is scheduled for 17 September, at which time Collor will address the country's current difficulties.

Agreement Discussions Held

PY1609021291 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 14 Sep 91

[Excerpts] President Fernando Collor is spending 14 September in meetings with several politicians to discuss the national accord.

First [as received], he went to Santo Antonio do Amparo to meet with Minas Gerais State Governor Helio Garcia. He arrived at Santo Antonio do Amparo early in the morning and was welcomed by Governor Garcia and a group of coffee producers who, while still at the airport, asked for a policy supporting coffee production. Governor Garcia is considered the main supporter of the national accord, which will be discussed by the president of the Republic and the governor. [passage omitted]

After almost four hours of talks and a lunch of roast pork and a typical bean dish, President Collor had only one complaint: He had lost one of his coat buttons. The president and the governor, however, were very happy about their talk on the national accord. [passage omitted]

[Begin Collor recording] We cannot abandon our goals and the path that leads to them. Our goals are based on understanding and the pursuit of a common ground for coexistence so we can find joint solutions to the difficulties that the country has been experiencing. [end recording] [passage omitted]

At 0730, President Collor met with Justice Minister Jarbas Passarinho in the garden of the official residence to read the draft of the Big Amendment [Emendao] Project, which was prepared by the cabinet while he was in Africa this week. Together, the two went to visit Senator Hugo Napoleao, Liberal Front Party president. Sharing breakfast, however, was just an excuse. The real objective was to discuss the national accord. Collor told Passarinho and Napoleao that he has no money and he needs some $60 billion—half of the Brazilian foreign debt—to build homes, hydroelectric dams, and highways and to invest in the telecommunications area. President Collor suggested a solution: To amend the Constitution.

[Begin Collor recording] It must be understood that there is an absolute, imperious need to be willing to approve the amendments that come to our hands. Let us analyze them. [end recording]

After the breakfast meeting, Collor asked Passarinho to summon the entire economic team for a meeting at the Justice Ministry and to transform the Big Amendment draft into a definitive project for submission by the president to the governors, deputies, and senators.

At mid-afternoon, Collor attended the meeting to observe the finishing touches to the project. The text was modified as follows: Seniority retirement was eliminated, and the minimum retirement age was set at 55; tenure for public employees was eliminated, as well as banking secrecy whenever required by the courts. The government also proposes to lift the state monopoly on oil exploitation, highway tolls, ports, railway services, telecommunications, and mining.

President Collor will have dinner in Brasilia tonight with former Sao Paulo Governor Orestes Quercia, who is president of the Brazilian Democratic Movement Party. Upon arriving in Brasilia, Quercia expressed his support for the national accord, but said that his party is not willing to be part of the government. [passage omitted]

Franco Airs Disagreement With Passarinho

PY1409025891 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 13 Sep 91

[Text] Vice President Itamar Franco, who is acting president of the Republic during President Fernando Collor's visit to Africa, has issued a communique confirming a disagreement with Justice Minister Jarbas Passarinho.

Itamar Franco was annoyed because he believes Minister Passarinho did not keep him well informed about the talks in search of an understanding and about the constitutional amendments being drafted by the government. As a result, this evening the vice president issued a communique that reads:

I refrained from dismissing Justice Minister Senator Jarbas Passarinho so as not to create further difficulties for the country.

The communique ends by recalling that the vice president will cease exercising presidential powers as soon as President Collor returns to Brazil.

The justice minister was asked his opinion of Franco's communique, but he denied withholding any information from the vice president and recalled that any minister is liable to being dismissed at any time by the president of the Republic.

[Begin Passarinho recording] It is obvious that he can do so; it is obvious. He has everything at hand in his capacity as president of the Republic to call me and tell me that I am dismissed. It is one of his powers. [end recording]

President Returns From Africa, Begins Meetings

PY1409145091 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 14 Sep 91

[Excerpt] President Fernando Collor returned from his seven-day tour of four African countries last night. He will spend the weekend meeting with national political leaders. The topic of discussion will be the government's constitutional reform proposals that are necessary for carrying out economic changes. [passage omitted]

Brazil, Colombia To Withhold Coffee Exports

PY1609004691 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Sep 91 Section 3 p 4

[Excerpts] In Rio de Janeiro yesterday, Brazilian and Colombian officials and businessmen approved a proposal to withhold 10 percent of their coffee exports in order to force up the price of the product on the international market. According to businessmen, the increase in the price of coffee on the international market will also force up the domestic price.

Brazil and Colombia are the world's largest coffee exporters and sell 40 percent of the international production. On 16 September, Brazilian and Colombian businessmen will suggest to Central American coffee producers that the withholding policy go into effect on 1 October.

National Economy Secretary Dorothea Werneck and Colombian Finance Minister Rudolf Hommes will attend the 16 September meeting, which will be held at the Coffee Trade Center. [passage omitted]

By reducing exports, Brazilian and Colombian businessmen hope to stop $5 billion in losses accumulated by producing countries since the International Coffee Accord was broken in 1989. Suelly Amarante, National Coffee Council president, has said that the coffee-consuming countries currently have a stock of 7 million sacks. To neutralize this stock, the coffee exporters decided to withhold 10 percent of exports.

Further on Coffee Agreement

PY1309152691 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Sep 91

[Text] National Economy Secretary Dorothea Werneck has told the Agriculture Committee of the Chamber of Deputies that the Brazilian Government will not sign any agreement with the International Coffee Organization for the reduction of coffee export quotas.

Werneck supports withholding 10 percent of Brazilian coffee exports, which are expected to total 17 million sacks, because Brazilian coffee competitors have no stocks to increase their exports on the international market.

Chile

Presence of U.S. Nuclear Missiles Criticized

PY1409180091 Madrid EFE in Spanish 2239 GMT 13 Sep 91

[Text] Santiago, 13 Sep (EFE)—The Chilean Committee for Disarmament and Denuclearization today reported the presence of two U.S. ships carrying Tomahawk nuclear missiles in the Pacific Ocean. The ships will participate in military exercises with the Chilean Navy.

The committee reported that the destroyer USS O'Bannon and the nuclear submarine Sand Lance are fitted with Tomahawk nuclear missiles, which have a range of up to 2,500 km and were used during the Persian Gulf war.

The Tomahawk nuclear missiles are considered 'intelligent' and, according to the committee, will be used by the Chilean Navy during an exercise known as "Unitas."

The committee added that the presence of ships carrying nuclear missiles in Chilean waters "is against the spirit and the principles of the 1976 international treaty that proscribed nuclear weapons in Latin America (Tlatelolco Treaty), which Chile signed."

The committee charged that five Sturgeon-type submarines, similar to the Sand Lance, had various accidents and on two occasions Tomahawk missiles were lost.

The Unitas exercise, in which U.S. and Chilean Armed Forces have participated since 1960, will be conducted in Chilean waters next week and will include antisubmarine operations.

Further Reportage on Exhumation of Bodies

12 More Bodies Found

PY1309175891 Santiago Radio Cooperativa Network in Spanish 1100 GMT 13 Sep 91

[By Claudio Mendoza]

[Excerpts] The members of the Human Rights Commission of the Chamber of Deputies yesterday visited area 29 of the Santiago main cemetery where some bodies buried there are being exhumed. They expressed their satisfaction over the work being done.

Deputies Jaime Naranjo, head of the Human Rights Commission, Maria Maluenda, Juan Concha, and Andres Aylwin explained that, although no member of

the Human Rights Commission belonging to opposition parties has visited the cemetery, the decision to visit the site was unanimously agreed upon by all commission members.

Deputy Aylwin pointed out that the visit showed the solidarity of the congressmen with the relatives of the victims who were buried at area 29.

Deputy Naranjo said that Judge Andres Contreras, who ordered the exhumation, stated that never before have so many unidentified bodies been exhumed in the country.

[Begin Naranjo recording] May those who are somehow responsible for these deaths, or have something to report on them, now come forward. [passage omitted] [end recording]

Deputy Naranjo emphasized that freedom, truth, and justice are the fundamental bases of a society. The deputies agreed that the exhumation work seeks the truth, not vengeance.

With the 12 bodies exhumed yesterday, the number of unidentified bodies at Area 29 now totals 108. A second woman's body was exhumed yesterday, and her clothes showed signs of having been torn with a hook.

Most of the 12 bodies had bullet wounds on the back of their necks, and in one case, the bullet entirely destroyed the face, making it impossible to identify the person by the facial reconstruction system.

Exhumations Concluded

PY1509031291 Santiago Television Nacional de Chile Network in Spanish 0033 GMT 15 Sep 91

[Excerpt] Exhumations in area 29 of the main cemetery in Santiago have finished. A total of 107 tombs were opened and the remains of 125 arrested missing people were found. [passage omitted]

Two Bombs Found, Defused in RN Office

PY1409204291 Santiago Radio Chilena Network in Spanish 1700 GMT 14 Sep 91

[Excerpt] Two bombs, of 4 and 2 kg of ammonium gelignite, were hurled at the offices of National Renewal [RN] Deputy Angel Fantuzzi in Maipu, where an RN branch is located. The bombs, which did not go off, were discovered by RN office employees and later deactivated by GOPE [Special Police Operations Group] personnel. The offices are at 2847 Ramon Freire Street.

The police decided to provide protection to the office, putting it under permanent guard. On 10 September, there was another attack on an RN office on Thompson Street, in Estacion Central. The office was practically destroyed by the blast. [passage omitted]

Vina del Mar Police Raid Terrorist Hideout

PY1309215091 Santiago Radio Cooperativa Network in Spanish 1100 GMT 13 Sep 91

[Text] After a terrorist attack at Villa Alemana on 2 August, when two Vina del Mar Investigative Police members were injured, the members of this police corps have been chasing those responsible for the attack.

Three alleged members of the Manuel Rodriguez Patriotic Front [FPMR] were arrested and weapons and explosives were seized in an operation conducted by Vina del Mar Investigative Police.

Reporting on the operation, Pedro Badilla, chief of the Vina del Mar Civil Police, said that during a raid of a FPMR safe house, police seized weapons and explosives, including a LAW rocket launcher with its load; two sticks of dynamite; 17 meters of safety fuse; one sawed-off shotgun; two .22-caliber revolvers; shotgun ammunition; papers with subversive instructions; scarves, and a FPMR flag.

The arrestees were identified as Victor Zurita, 23; Daniel Mancilla, 22; and a 16-year-old whose initials are A.E.B.M. Also identified as a member of the group was Nelson Salvatierra Acueto. Allegedly, Salvatierra is responsible for shooting Investigative Police members Maria Ortiz Cisternas and Juan Soler Arevalos, of the Villa Alemana Judicial Precinct.

According to Badilla, the arrested subversives confessed to taking part in several terrorist actions such as attacks on Mormon churches and the downing of a high-tension pylon. Badilla added that police are pursuing Salvatierra and the head of the terrorist group known as (?Jano).

The seized weapons were sent to the Valparaiso military garrison and the arrested subversives will be placed under the jurisdiction of the appropriate courts.

Police Arrest Top Leader at FPMR Conference

PY1409202491 Santiago Radio Chilena Network in Spanish 1700 GMT 14 Sep 91

[Text] Four people were arrested and a detective was injured at noon today during a clash between police and Manuel Rodriguez Patriotic Front [FPMR] leaders. The incident took place at the Alejandro Lichuz Institute, located on Concha y Toro Street, where the FPMR was holding a news conference. The detective was injured when an FPMR member tried to escape by shooting from a light truck when police arrived. Reportedly, Alfredo Malbrich, who is wanted by the courts, was not at the institute. Investigations police arrested four people, among them Leandro Torquio, who is one of the main FPMR leaders.

Front Reacts to Arrests

PY1509024091 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 15 Sep 91

[Text] The FMR [Manuel Rodriguez Front] said this evening that the police operation during which some of its militants were arrested was inappropriate.

[Begin unidentified FMR member recording] We have clearly stated that we are not an armed movement. We have made a political decision that we reassert and continue to uphold. These incidents clearly show us that the government has not assumed its share of responsibility. As well as these types of attitudes, the government should go out and arrest the true criminals who currently tour the roads of our country. [end recording]

Carabineros Teargas Student Demonstration

PY1309154091 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 13 Sep 91

[Text] New incidents occurred this afternoon at the university campus at the corner of Grecia and Macul Avenues in Santiago when Carabineros officers arrested a dozen students.

The demonstrators were demanding the release of those arrested on 10 September during the riots at the university campus.

The demonstrations began at 1300 today when a group of students of the University of Chile, the Metropolitan University, and the Santiago Professional Institute [IPS] marched to the corner of Grecia and Macul Avenues. The students formed a human barrier, closing traffic in both avenues for some five minutes. They headed for the Metropolitan University main gate where they dispersed while Carabineros patrols were watching from a distance.

[Begin Chilean Student Federation Vice President Arturo Barrios recording] Today we are responsibly and consistently showing that the Chilean student movement strongly opposes and rejects human rights violations in this country. We have mobilized in support of our arrested classmates. [end recording]

Until that time everything was peaceful. But a group of hooded youths erected a barricade and threw stones and fire bombs at the Carabineros vehicles that came to the area. Seven people were arrested. The situation returned to normal after student leaders talked with the Carabineros officers.

Minutes later, however, another group of students demonstrated in front of IPS. They also demanded the release of those arrested on 10 September. The students interrupted traffic and set fire to a barricade. Some students stoned vehicles that approached the area.

The incidents again called for the presence of the Carabineros. The conflict lasted one hour, during which stones were thrown at the police, who responded with powerful chemical agents that at times made it difficult for people to breathe.

To end the conflict, IPS professors talked with Carabineros.

[Begin IPS Deputy Dean Manuel Hevia recording] We are concerned because we understand their reasons. They want the arrested students to be released as soon as possible. The Carabineros will not allow students—and I believe it is reasonable—to hinder traffic by placing obstacles and by stoning vehicles. [end recording]

Carabineros officers reported that at least three other persons were arrested, among them Pilar Alfaro, IPS student center president. The students were allowed to leave the Institute building, and IPS authorities decided to suspend classes until next week.

Meanwhile, 48 of the youths arrested by the Carabineros during incidents on 10 September this afternoon were placed at the disposal of the 4th military judge. After being arrested, the youths were held at the former penitentiary and at the women's prison. They began to be questioned today on their involvement in the riots at the corner of Grecia and Macul Avenues two days ago, when Carabineros arrested 64 persons, 16 of whom were previously arrested but later released. The rest of the detainees are being held at military courts facilities on charges of illegal possession of arms and mistreatment of Carabineros.

Chilean student federation lawyers have explained that the judge will decide on the detainees after questioning each one of them.

Arrests, Violence Mark Santiago Demonstration

PY1609032491 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 16 Sep 91

[Excerpts] Over 160 [number as heard] people were arrested today when members of the Theocratic Movement [Movimiento Teocratico] staged a demonstration outside the Evangelical Cathedral where a Te Deum was being held [marking the upcoming Chilean independence anniversary].

Violent incidents occurred today as a Te Deum was being held inside the Evangelical Cathedral when members of the Theocratic Movement protested against the religious ceremony and against Evangelical Church leaders.

[Begin recording] [unidentified demonstrator] I am a member of the Theocratic Movement and a leader of members of the Theocratic Movement at Santiago National University.

[Unidentified reporter] Why did you stage this demonstration?

[Demonstrator] We are against this because similar Te Deums were held during Pinochet's time. The church leaders who are leading this Te Deum are the same ones who led similar Te Deums throughout the 16 years of Pinochet's regime. [passage omitted] [end recording]

Carabineros arrested a total of 155 people. Out of these, 94 were sent to the 21st Carabineros Precinct and 61 were sent to the 22d Carabineros Precinct; 10 were placed at the disposal of the courts. It has been reported that three policemen and seven civilians were injured in incidents.

Colombia

Signing of Antidrug Cooperation Pacts Announced

PA1509163191 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 11 Sep 91 p 7a

[Text] On 10 September President Cesar Gaviria announced that the government has signed antidrug cooperation agreements with the United States, Brazil, Ecuador, Guatemala, the United Kingdom, France, and Spain to fight drug traffickers, referred to as "the businessmen of crime."

He made the announcement during the installation of the First World Police Congress in Santa Fe de Bogota. He said that it is necessary that all the countries join a common antidrug front.

Regarding the signing of antidrug cooperation agreements, Gaviria said that Colombia is negotiating with other countries. He did not specify these countries. He stated: "We (the government) have already received trial evidence requested by judges. The search for evidence and other information is being expanded with the cooperation of authorities from other nations."

Although the president did not say what trials he was referring to, there is every indication that he was referring to the cases of drug traffickers who have surrendered, including the Ochoa Vasquez brothers and Pablo Escobar Gaviria who "are going through strict proceedings."

The president also said that it is necessary to create legal multilateral mechanisms, especially in the framework of the United Nations, to confront multinational crime. He referred to the Vienna Convention, which he described as "an important step on the march toward international legislation against drug trafficking."

He noted: "All the countries seriously committed to the struggle against drug trafficking must pass this legislation as soon as possible. During the next legislative period, the Colombian Government will present the results of the convention for the consideration of the Colombian Congress."

According to Gaviria, "The ideal situation would be to have an international penal legislation in charge of imposing justice on crimes of an international nature such as drug trafficking and related activities. This possibility has been considered by the U.S. Congress."

The president said that it is necessary to establish, as Section 4108 of the Antidrug Abuse Act proposes, an international crime authority capable of accelerating cases involving persons accused of engaging in international drug-trafficking activities or of having committed international crimes. "I think this is the moment to initiate dialogue and discussions," Gaviria said.

The president noted: "Colombia has stated that it is necessary to face the problem as a whole, from every aspect of it without exception. We cannot have one country or a few countries assuming the responsibility and the costs for fighting a problem that is hurting all of mankind. The responsibility for finding a solution to this grave problem cannot fall exclusively on the nations that organized crime is using for different reasons to secure profits."

Gaviria severely questioned the indifferent way in which some countries face drug trafficking. He noted: "All the drug traffickers and their associates—bankers, hired killers, and traffickers of arms or of chemical products—need to prosper is suitable conditions nurtured by indifference and intolerance."

He said: "Drug traffickers do not have any particular nationality, they are citizens of evil."

The president supplied data resulting from the government's struggle against drug trafficking. In 1985 the government seized 4.2 tons of cocaine. Five years later, in 1990, it seized 10 times this amount, that is, 45 tons. So far this year, the authorities have seized and destroyed approximately 50 tons of cocaine, a fact that has led the government to estimate that by the end of 1991, it will have doubled the 1990 cocaine-seizure figure.

According to the president, the recovery of power by the state and the defeats inflicted on the drug traffickers and the narcoterrorists have allowed the government "to move from an strictly repressive strategy to a policy that, without weakening the struggle against criminal organizations, serves to strengthen the Colombian justice system by promoting the surrender of criminals to our justices."

The president cautioned about the transformations taking place in the drug-trafficking world map. "It is evidence of the adaptational capabilities of this monster with 1,000 heads."

Gaviria said that "as a result of the sacrifices made by the Colombians, in a few years drug-trafficking activities will be insignificant."

If a common front to fight drugs is not created, that international scourge will change its form or its name to adjust to isolated efforts by the countries, Gaviria cautioned.

The president recalled that at the recent World Summit of Antinarcotics Authorities, his government called for the creation of a regional coordination and information center for operations against drug trafficking, a center that would serve to implement more definite joint strategies.

Guerrillas Asked To Back Words With Actions

PA1609040591 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 13 Sep 91 pp 1, 10

[Text] At the summit of governors held at the Narino Palace, President Cesar Gaviria warned the guerrillas that the country expects specific actions for peace.

Gaviria said that there is an atmosphere of optimism in Colombia after the statements by the Simon Bolivar National Guerrilla Coordinating Board (CNGSB) in Caracas, which reflect a more positive tone. However, he added, 30 million Colombians are hoping that those statements are not just words.

"Many years have passed since the first guerrilla group engaged in dialogue with the government that ruled the country at the time. However, throughout the years, the language of peace has not always been accompanied by actions for peace," Gaviria stressed.

Gaviria also told the governors that they must give the electoral process the necessary guarantees, although at this time the desirable climate of peace does not exist.

He reminded them that the delivery of campaign funds is prohibited and that the payroll has been frozen.

"The electoral process that has begun symbolizes what Colombian democracy can achieve. The new Constitution, the renewed institutions that have attained a new balance between government branches, and the determination of those of you who direct the destinies of your departments, intendencies, and commissariats, will guarantee elections free of pressures on 27 October..." Gaviria stressed.

President Gaviria warned the CNGSB that this is the last opportunity to finally attain peace through dialogue.

Gaviria, who met with departmental governors at the Narino Palace, reminded them of their responsibility to provide the necessary guarantees for the 27 October elections. He added that, not only will the members of congress and governors be elected, but the democratic changes proposed by the Constituent Assembly will be put into practice.

With regard to the Caracas talks, Gaviria Trujillo admitted that there is some optimism concerning the final results based on recent statements made by CNGSB leaders, which apparently reflect a more positive tone.

Gaviria said that "from this opportunity, which many people perceive as the last one, not only the government, but all of Colombian society demands actions and sincerity from those who are still at arms."

Gaviria reaffirmed his thesis in the sense that Colombia is no longer satisfied with statements that show good faith, and instead wants to see specific results.

He said that the guerrillas will be given the necessary guarantees if they decide to abandon the armed struggle and take the path of peace.

"As they say in soccer, the ball is on their side; they must decide if they want to score the great goal of peace, or, if contrary to that, they want to continue to lose goals through violence," Gaviria noted.

He also reminded governors of the importance of the current political campaign in which they, as representatives of the National Government, must observe conduct of absolute neutrality.

He told them: "The old political vices, the buying and selling of votes and consciences, the financing of campaigns with so-called 'hot money,' as well as any unlawful pressure over the voters must be attacked by you. You carry on your shoulders the responsibility of guaranteeing a democratic, frank, and open electoral debate."

He said that those guarantees must begin with transportation, noting that urban and intermunicipal routes must operate normally and that any violation of this rule will be punished with the suspension of the operational license for a period of no less than six months.

Gaviria also stressed: "I want to remind you that a recent presidential decree ordered a payroll freeze and banned the delivery of campaign funds."

FARC Rebels Desert Because of Mistreatment

PA1509194491 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 15 Sep 91

[Text] Florencia—Two FARC [Revolutionary Armed Forces of Colombia] deserters surrendered several hours ago to the Directorate of Judicial Police and Investigations in Caqueta; Major Fernando Merina, commander in charge of that institution, told Radio Cadena Nacional.

The official confirmed that the two rebels belonged to the 13th FARC Front that operates in the Yari area, San Vicente Del Caguan. The rebels said they had made the decision to desert because they were constantly mistreated by their leaders. They also added that 60 percent of their comrades are demoralized and this is why they foresee that, by the middle of next week, there could be additional desertions. The rebels stated that their comrades in arms fear deserting because of threats of being shot to death.

Patriotic Union Leader Killed in Ambush

PA1509202291 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 15 Sep 91

[Text] A total of 10 persons died in the past few hours in the Meta, Antioquia, Bolivar, and Risaralda Departments due to violent actions, accidents, and police operations. The most serious incident took place in a rural area of the Mesetas Municipality, Meta Department, where Patriotic Union [UP] leader Carlos Julian Velez, his wife Norma Garzon de Velez, his six-year old son, and a brother identified as Dimas Velez, were killed. The massacre took place on the road from Mesetas to the Los Naranjales hamlet, where a group of men repeatedly shot the vehicle in which the UP leader Carlos Julian Velez and his relatives were traveling, instantly killing them.

Meanwhile, in the San Pablo Municipality, southern Bolivar Department, two persons identified as Edilio Avila Maragon and Leonor Fabiola Vega died as a result of a bomb explosion in a home in San Pablo. During this same incident Sonia Ariza, 18, and a six-month old baby, currently under medical attention, were wounded.

Likewise, in Antioquia, kidnapper Juan Bautista Lochner Herrera was killed during an operation staged by the Anti-Extortion and Kidnapping Unit in the Manrique neighborhood. During this same operation a three-year old, who had been held kidnapped since 9 September was rescued, while the kidnapper Paula Andrea Heredia Montolla, 17, who had been asking for a 50-million peso ransom, was arrested.

Peru

Fujimori Seeks To Strengthen Ties With U.S.

PY1509210091 Madrid EFE in Spanish 1338 GMT 14 Sep 91

[Text] Lima, 14 Sep (ANDINA)—President Alberto Fujimori today asserted that he will go before international organizations and the U.S. Government with a very serious negotiating policy.

Fujimori stated: We are going on this official visit to the United States and to the meeting with President George Bush "as a country with hope and as a working, honest country, not as beggars."

He asserted: "We are going to strengthen bilateral relations between the two nations even further and to discuss subjects of national interest in the fields of commerce and finance and the problem of drug trafficking."

In a news conference held shortly before traveling to the United States, Fujimori said he was visiting the United States in response to a special invitation extended to him by President George Bush "after completing the first year of government with a harsh, but orderly economic policy."

The chief of state commented: "That harsh, but austere, economic policy has an important purpose: To reinsert Peru in the international finance system. The first steps in that direction have already been taken."

President Fujimori commented: "In order to get the IMF to approve Peru's economic program, we have had to make a severe, austere adjustment in our treasury." He explained that in order to be able to reinsert Peru, the country's economic program has focused on curbing inflation, austere management of the treasury, improvement of incomes, and the fulfillment of social needs.

"The Peruvian people have had to endure a series of difficulties but now we strongly hope we will be able to overcome them with special credits from international financial organizations."

President Fujimori explained that there will still be difficult moments to endure "because we have accumulated a huge deficit as a result of the debt contracted many years ago and we still have to carry out negotiations with the Paris Club."

Fujimori said that credits obtained since 1984 have not been paid and the country has an arrears amounting to more than $4.8 billion. He added: Of this, we must pay $1.2 billion in 1992. Fujimori noted: "This situation is a result of the irresponsible policy of previous regimes."

The chief of state asserted that during his visit to the United States he will not request the excusing of any commitment nor the payment of 10 percent of the debt [as received] because we are traveling "with a very serious negotiating policy."

The chief of state announced that a social assistance program for the neediest sectors will be implemented with a portion of the Inter-American Development Bank credit. He added that these resources, which amount to approximately $100 million, will arrive in October.

Regarding human rights, Fujimori said that a total of 260 people disappeared during the first half of 1990, while only 60 people disappeared during the second half of that same year; however, "the ideal thing would be to have no missing people."

As for the businessmen accompanying him to the United States, Fujimori said that they will meet with their counterparts to negotiate new investments in the country.

Addresses Nation

PY1409150891 Madrid EFE in Spanish 0432 GMT 14 Sep 91

[Text] Lima, 13 Sep (ANDINA)—President Alberto Fujimori has emphasized IMF approval of the Peruvian economic program and has announced the implementation of significant development projects for the people.

In an address to the nation shortly before departing for the United States at the invitation of President George

Bush, Fujimori said: "Using our own resources and those that we will now receive, we will rebuild roads more rapidly and will build more schools and health centers."

Fujimori said he is taking "a new image" of Peru to the United States; that is, the image of a people "who are neither hopeless beggars nor outcasts," but "impoverished, yet dignified and hardworking." Fujimori said that as a result of the IMF approval of its program, Peru is now a country that is open to international cooperation, investment, aid, and support.

In a televised address broadcast over the state-owned television station this evening, Fujimori said: "It is true that much remains to be done before we can look to the future with greater optimism."

Fujimori added that his visit to the United States will be instrumental in strengthening Peru's friendly ties with that nation, which is one of the leaders of the support group for Peru and "with which we have a common commitment to wage an all-out fight against the drug trade."

Fujimori also called on the Peruvian people to continue to work "courageously and with hope" to rebuild the country. He praised the people's sacrifice to overcome the crisis without listening to critics who never offered any solutions to the country's serious problems.

Fujimori criticized those who, "confusing hatred with criticism," contended that the government's economic program was not yielding results and that the people were being sacrificed pointlessly.

He added: "We cannot deny that there have been distortions, but these were unavoidable after all that has happened in recent years."

Fujimori noted that formation of the support group for Peru and IMF approval of the Peruvian economic program "have caused critics of the government's economic policy to lose ground."

He added: "The IMF has approved the Peruvian program and friendly countries are helping us because they know their aid will not be wasted and that it will boost Peru's recovery." Fujimori also added that nothing was gained from refusing to pay our debt to international development organizations. He said: "All we did was deplete our funds and fail to maintain our infrastructure facilities."

He noted that the Peruvian foreign debt currently stands at $22 billion and he wondered where all this money has gone. He charged that funds were used irresponsibly in recent years to increase bureaucracy and make public companies grow excessively. Fujimori reaffirmed that his government will not repeat the errors committed by previous governments and stated that the country is currently undergoing a process of reorganization.

Former President, Prime Minister Discuss IMF

PA1309235291 Lima Panamericana Television Network in Spanish 1200 GMT 13 Sep 91

[Text] Council of Ministers President Carlos Torres y Torres Lara has expressed his satisfaction with the IMF's decision to approve the Peruvian Government's economic program. He said it was the result of a joint effort by the Peruvian people.

Former President Fernando Belaunde and former Prime Minister Juan Carlos Hurtado Miller both described this event as a great achievement for Peru. They pointed out that Peru's reinstatement into the financial community is practically a reality.

[Begin recording] [Hurtado] Excellent. I am quite pleased because this concludes the first phase of very hard sacrifices. The road we have traveled on for almost a year has been very long. But we are very pleased and satisfied because this marks the beginning of a new phase of possibilities for Peru.

[Unidentified reporter] After this there are very important steps that must be taken, such as the Paris Club meeting....

[Hurtado, interrupting] There is a sequence of events. The IMF could not approve the reference program presented by Peru without the support group first being set up. The support group was formed, and the reference program has now been approved by the IMF. The next step entails the Paris Club, which could not convene without the IMF's approval. The approval now opens the door to the Paris Club meeting in September. There are two ministers currently in Paris for this meeting. Afterwards, we will meet with the commercial banks.

[Reporter] Are there any possibilites of Peru receiving fresh funds through these negotiations?

[Hurtado] There are several possibilities. As President Fujimori himself stated, the Inter-American Development Bank [IDB] has announced a $1.1 billion credit, approximately $500 million of which will be disbursed during the 14 September visit of President Fujimori to the United States. This means that for the first disbursement we will receive an amount equal to that paid by Peru to all the international institutions in 1990 and 1991. Those who insist that it should be a positive flow—although it is absurd to say how much we have received and how much we paid out to measure cash flow since there are other collateral benefits—should be satisfied because Peru will now have a positive cash flow in revenues.

[Belaunde] I think it is excellent news because it is a positive step in the process of reinstatement in which we have been involved for the past 13 months. I think we should never have withdrawn from the international financial and credit system. That was a tremendous mistake. This return has cost many sacrifices for the Peruvian people and will cost many more sacrifices. But

we can be reasonably optimistic about the future. This is a start, and there will surely be more credits. Road repairs will be able to be carried out since they have been completely destroyed. It will be possible to start public projects and I believe that the energy field is a priority.

Electricity is already being rationed in Lima and it mainly affects the suburbs. Irrigation projects, which are unpostponeable, will most certainly be resumed. I am very pleased with this success and express my gratitude to the organizations that participated in this. [end recording]

Ambassador Interviewed

PA1409195391 Lima Global de Television Network in Spanish 0100 GMT 14 Sep 91

["Exclusive" telephone interview with Roberto McLean, Peruvian ambassador to the United States, in Washington by an unidentified reporter in Lima; date not given—recorded]

[Text] [Reporter] We now have Roberto McLean, Peruvian ambassador to the United States, on the line. Mr. Ambassador, good evening. What is the latest news regarding the talks held yesterday with the IMF and what is the position adopted by the U.S. Congress regarding the military and economic aid for the fight against drug trafficking?

[McLean] Yesterday, I met with Mr. Camdessus, member of the IMF, and as it has already been made public, the results of the meeting with the IMF has been a complete success. The program for Peru has recently been approved. Statements have been made praising the government's economic program. The great sacrifice made by the Peruvian people is being recognized, and according to remarks here, even though the sacrifice has been very tough, it has produced medium- and long-term benefits for Peru. This means the country has been accepted, because the approval of the IMF program not only means that results will be obtained immediately, but that there will also be consequences and repercussions on the international financial system, through the Paris Club, private banks, and the acceptance of the highest world authority in financial matters on Peru's economic program.

It has been a great Peruvian achievement and it closes the cycle of a policy that did not work, and it is also a recognition by the international community of the efforts being made by the Peruvian Government and people.

[Reporter] Mr. Ambassador, I would like to ask you. Have they mentioned figures or have they given any dates as to when the payments will be made to the Peruvian Government.

[McLean] They have in fact mentioned figures, but unfortunately, I do not have them with me.

[Reporter] As of this date, when will the next negotiations be held. What is President Alberto Fujimori's schedule in the United States?

[McLean] The purpose of the president's visit to the United States is basically of a bilateral nature. Contacts will be made with the U.S. Government. Meetings will be held at the White House with President George Bush, with cabinet members, and with congressional leaders. Since it is not a formal visit—President Fujimori asked this to be a working meeting—practically all protocols have been eliminated and there will only be work meetings. Fujimori has a meeting with President Bush on 17 September; on 16 September and 18 September, he will meet with cabinet members and Congressional leaders. There will also be a working meeting with top officials from the IMF, the World Bank, and the Inter-American Development Bank. It will be a relatively short working meeting because it will only last an hour. He will also hold a brief meeting at the OAS.

[Reporter] With regard to the concern of the U.S. Congress over human rights violations, which could result in a decision to hold back funds earmarked for military aid to fight drug trafficking in Peru, is Congress going to wait for President Fujimori's visit or is this decision going to be made now?

[McLean] The commission, after having heard testimony by the Executive Branch's witness; Assistant Secretary of State for Inter-American Affairs Bernard W. Aronson; Melvyn Levitsky, ambassador on human rights; and other government officials, has agreed to delay their decision on this issue until they hear President Fujimori's message. In this regard, it is not a formal message but rather the message they will hear during conversations to be held with President Fujimori. In light of the accusations made by some congressmen, it has been considered extremely important for the Peruvian president to come here to talk over this issue. [end recording]

Community Leaders Killed; Police Find Arsenal

PA1509183191 Hamburg DPA in Spanish 1611 GMT 15 Sep 91

[Text] Lima, 15 Sep (DPA)—Approximately 50 alleged subversive elements have killed two community leaders in Lima. In addition, the police have announced the discovery of a terrorist arsenal about 16 km east of Lima.

The attack on the two settlement leaders took place early yesterday morning. After painting subversive slogans on some house walls, the attackers dragged Fortunato Collazos Crispin—president of the settlement—out of his house. Collazos Crispin was tortured and then shot twice in the head. Alfredo Aguirre, the settlement's press secretary, tried to stop what was happening and was also killed by the subversive elements.

The police have reported that the two had received death threats for collaborating with the authorities.

Meanwhile, the authorities have found 10,000 sticks of dynamite, 20 bags of ammonium nitrate, and 4,000 meters of fuse in a rural area 16 km east of Lima. Four alleged subversive elements were in possession of this material.

The discovery was made by a unit of the directorate that investigates illegal drug-trafficking activities. The unit arrested four persons involved in the illegal commerce of chemical substances used for the processing of cocaine paste.

To the surprise of the police agents, they found a great quantity of explosive materiel and propaganda.

Roundup of Terrorist Activities 4-6 Sep

PY1309180091

[Editorial Report] The following are reports on terrorist activities in Peru compiled from Peruvian papers published between 4 September and 6 September. Publication information is given in parentheses after each item.

On the night of 3 September a group of 10 terrorists ambushed a patrol car in the southern part of the city of Barrancas. Two police officers died and another was seriously injured in the attack. (Lima EL COMERCIO in Spanish 4 Sep 91 P A9)

The Armed Forces Joint Command reported in a communique that Shining Path terrorists ambushed an Army patrol in the jungle district of Jose Crespo and Castillo, Leoncio Prado Province, killing Lieutenant Roger Infante Quevedo and eight soldiers. (Lima EXPRESO in Spanish 4 Sep 91 P A9)

Technical Police personnel on 3 September arrested in Lima a top leader of the Tupac Amaru Revolutionary Movement, MRTA identified as Luis Alberto Enciso Puga and seized 50 National Police identification cards stolen from police officers who were killed by terrorists in the past two years. Enciso is the general coordinator of the MRTA cells, which operated in the northeastern part of Peru. (Lima LA REPUBLICA in Spanish 4 Sep 91 P 27)

Three Shining Path terrorists on 4 September shot dead University Professor Rosa Lina Pretell Villanueva as she left her house in San Miguel de Pedregal in Chosica. The terrorists also left leaflets and a note in which they charged the professor with cooperating with the Armed Forces. (Lima LA REPUBLICA in Spanish 5 Sep 91 P 17)

Military sources have confirmed that 13 soldiers died in a clash between a military patrol and a terrorist column in the area of Primavera bridge near Tingo Maria. The sources also reported that five terrorist died and several soldiers were wounded during the attack that occurred on 29 August. (Lima EL COMERCIO in Spanish 6 Sep 91 P A12)

Senator Enrique Bernales Ballesteros reported that August was one of the most violent month of the year. A total of 397 people were murdered, of which 80 were police officers, and that damage amounts to approximately $10 million. He said that a total of 2,017 people died between January and August as a result of the violence. (Lima EL COMERCIO in Spanish 6 Sep 01 P A5)

From 6-14 Sep

PA1509021891

[Editorial Report] The following are reports of terrorist-rebel activities in Peru between 6 and 14 September.

Paris AFP in Spanish at 0126 GMT on 7 September carries a 200-word report stating that, according to a 6 September communique from the Joint Command of the Armed Forces, four people were killed and several children were kidnapped by Shining Path rebels in Calicanto, Ayacucho Department, on 4 September. The report adds that the rebels sustained several casualties but no figures were given.

Lima Global de Television Network in Spanish at 0100 GMT on 11 September carries a one-minute report saying that five alleged terrorists attacked two traffic policemen, killing one and seriously wounding the other in Callao on 10 September. Following the incident, the police arrested 15 suspects in the area, the report indicates.

Mexico City NOTIMEX in Spanish at 0132 GMT on 11 September carries a 200-word report saying that, according to official sources, a Shining Path guerrilla was killed and two others were captured in a clash with police in Carabayllo District, in northern Lima, on 10 September. According to the sources, the police confiscated various weapons and explosives.

AFP at 1634 GMT on 12 September carries a 300-word report that says that, according to security authorities on 12 September, Shining Path guerrilla incursions in the Peruvian Andes have left 14 people dead, including six soldiers, and five people missing since 10 September. According to the authorities, the most violent incursion took place in Puno Department, where a group of 40 rebels ambushed a military convoy and later attacked a mine and a farm, killing 12 people on 10 September.

NOTIMEX at 1521 GMT on 14 September carries a 200-word report which states that, according to local authorities on 14 September, 12 residents of Junin Department were killed during an ambush perpetrated by alleged subversives, who attacked two boats on the Cutivireni River, in San Martin de Pagao District, 358 km northeast of Huancayo. Also, a military report indicated that a soldier and a rebel were killed during a clash between Army troops and Shining Path guerrillas in Ayacucho Department. No dates were given for the two incidents.

Madrid EFE in Spanish at 2307 GMT on 14 September carries an 80-word report stating that two community leaders were stoned to death by 40 Shining Path members on the outskirts of Lima on 14 September.

Uruguay

Air Transportation Agreement With USSR Signed

PY1309212891 Montevideo EL PAIS in Spanish 7 Sep 91 p 1

[Text] President Luis Alberto Lacalle's government has invited RSFSR President Boris Yeltsin to visit Uruguay.

The announcement was made by Uruguayan Foreign Minister Hector Gros Espiell on 6 September during the signature of an air transportation agreement between Uruguay and the USSR. Under the agreement, Aeroflot soon will start weekly flights between Montevideo and Moscow. The first flight will be on 2 November.

Minister Gros said: "Following the president of the Republic's instructions, I have the honor to announce that the government has invited RSFSR President Boris Yeltsin to visit Uruguay."

A similar invitation extended to USSR President Mikhail Gorbachev several months ago also was reiterated.

Regarding the agreement authorizing Aeroflot to cover the Montevideo-Moscow route, with stopovers in Santiago, Chile, and Cape Verde, Gros said that it takes place "on the 75th anniversary of the bilateral diplomatic relations between our two countries."

Gros added: "This agreement will contribute to our relationship in all fields, as well as increase the mutual acquaintance of our people."

Moreover, USSR Ambassador to Montevideo Igor Laptev, on behalf of the USSR Government, thanked the Uruguayan Government for its "prompt and decisive repudiation" of the unconstitutional coup d'etat that was squashed by USSR democratic forces.

Military on 'Alert' to Nearby Brazilian Squatters

PY1309233091 Montevideo EL PAIS in Spanish 7 Sep 91 p 7

[Text] The Uruguayan Army and Air Force are on special alert in the northeast zone at the Brazilian border in case Brazilian "squatters," who are invading land in Brazil only 30 km from our border, enter our country.

This is what can be interpreted from comments by Defense Minister Mariano Brito, who also said: "The presence of 'squatters' is no threat to Uruguay. The group is not in Uruguay. What the ministry did on orders from the president was to implement preventive measures. In other words, to have the Army and Air Force carry out observation and control operations but on the Uruguayan side near the areas where the reports indicate the squatters are settling."

Brito added: "Since 1700 on 4 September, the Air Force and the Army are carrying out special observation and control operations in reaction to the recent report. If they enter Uruguayan territory, this case will obviously have a different connotation."

Asked what would happen in that case, Brito said: "If they enter Uruguayan territory, this case will obviously have a different connotation and will fall under the jurisdictions of the Foreign, Defense, and Interior Ministries. Regarding the Defense Ministry, our current task is to have the Army and the Air Force carry out exclusively observation and control operations, which they have been doing since 1700 on 4 September.

[EL PAIS] Are you discarding the possibility of a real invasion the way it happened in Paraguay?

[Brito] I cannot predict what will happen. What I can describe is the real situation because this is what the people should know. The truth is that there has been no penetration of our border by squatters in the northeast of the country.

[EL PAIS] Have there been any contacts with Brazilian officials?

[Brito] The contacts made are the normal contacts between Brazilian and Uruguayan officials. This is under the jurisdiction of the Foreign Ministry and the Defense Ministry through its respective services.

[EL PAIS] Does the Army have orders to stop the entrance of people into our territory?

[Brito] That order has not been given. The only thing to point out is that the situation in Uruguay is normal and that there are no squatters in Uruguay.

The Defense Ministry has released a communique in which the only thing that adds to Minister Brito's remarks is that "the Armed Forces High Command, under the executive branch, will implement the appropriate measures if necessary."

Venezuela

Perez Wants Cuba To Join Democratic Process

PA1609034991 Paris AFP in Spanish 0203 GMT 16 Sep 91

[Text] Caracas, 15 Sep (AFP)—Speaking to the press in Caracas on 15 September, Venezuelan President Carlos Andres Perez requested that Cuba be given "the opportunity to join the democratic process in Latin America voluntarily."

"I support the search for instruments of peace and harmony everywhere, and I am pleased about what is taking place with regard to Soviet-U.S. understanding, but I also want Cuba to be given the opportunity to join the democratic process in Latin America voluntarily."

In recent years, Perez has promoted Cuba's return to the inter-American system, and he invited Cuban President Fidel Castro to his inauguration in February 1989.

Venezuelan Foreign Minister Armando Duran today began a visit to Cuba, during which he will sign three cooperation agreements with the island.

Oil Shipments to Cuba Expected To Increase

PA1609001591 Mexico City NOTIMEX in Spanish 2129 GMT 15 Sep 91

[Report by Alfonso Navarro]

[Text] Caracas, 15 Sep (NOTIMEX)—It was known here today that Venezuela, which rules out the possible inclusion of Cuba in the San Jose Pact, will announce an increase in crude oil shipments to the island during Foreign Minister Armando Duran's visit to that country.

Venezuela supplies 20,000 barrels of petroleum per day to Cuba under a tri-party accord with the USSR.

The accord, which will be expanded to 35,000 barrels per day, will allow Venezuelan clients in Europe to process Soviet crude oil in exchange for Soviet delivery of a similar amount of crude oil to Cuba to lower the transportation cost of the crude oil supplied by Moscow.

According to official sources quoted by a local newspaper, the two governments will reportedly sign an agreement to supply medicine and a framework agreement on phosphorus exploitation on the island with the participation of Venezuelan businessmen.

Duran's visit, which started today and will end on 17 September, is the first visit to Cuba by a Venezuelan foreign minister since the latter part of the past decade. This visit has been criticized by opposition legislators and some newspapers.

Jose Rodriguez Iturbe, president of the Legislative Assembly's Foreign Policy Commission and member of the opposition Social Christian Party (COPEI), rejected any "attempt to revive" Cuba through the Carlos Andres Perez administration.

However, Duran is accompanied by Senator Hilarion Cardozo, one of COPEI's 21 senators, and according to observers, this reflects differences in position toward Cuba within Venezuela's second political force.

Senator Pompeyo Marquez of the Movement Toward Socialism (MAS) and officials of the Venezuelan Foreign Ministry also traveled to Havana.

According to the newspaper EL NACIONAL, which sympathizes with COPEI, Venezuela, "which is promoting the return of Cuba to the inter-American system and a rapprochement with the United States (appears) to be sending a message about its international relations with this visit."

"The Cuban people will not be left alone as they face a precarious social and economic situation," it added.

The changes in the Soviet economy, which was worsened by a failed coup against Mikhail Gorbachev, reduced Soviet crude oil shipments to Cuba from 13.2 million tons in 1989 to 10 million in 1990 and 1991, albeit they have arrived late. Two weeks ago Perez said: "We have no plans to include nor is Cuba part" of the San Jose Pact by which Venezuela and Mexico sell 160,000 barrels of petroleum per day, under preferential terms, to Central America and the Caribbean.

There will be negotiations at the Cuban Foreign Ministry tomorrow between the two countries, and on 17 September Duran will hold a news conference before leaving for Guyana, which borders with Venezuela, where he will attend the installation of a new government with President Perez.

Bilateral trade between Venezuela and Cuba stands at about $70 million per year, but exports from this country increased from $1 million in 1984 to more than $25 million in 1990, according to official statistics.